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NOTE

The term 'Britain' is used informally in the *Survey of Current Affairs* to mean the United Kingdom of Great Britain and Northern Ireland. 'Great Britain' comprises England, Wales and Scotland.

Ministerial Appointments

A new ministerial appointment has been made at the Department of the Environment.

Lord Hesketh, who was appointed Parliamentary Under-Secretary of State at the Department of the Environment on 31 January, will have particular responsibility for the British Waterways Board and the Ordnance Survey. He will support Mr John Gummer, Minister of State, on local government issues and Lord Caithness, Minister of State, as the department's spokesman in the House of Lords.

Lord Hesketh was formerly a Lord in Waiting (Government Whip in the House of Lords). His successor as a Lord in Waiting is Lord Henley.

Legal Profession and Legal Services

Three Green Papers issued for consultation by the Lord Chancellor's Department on 25 January contain proposals for a new system of certification for advocates wishing to plead before the courts, a new system for authorising conveyancing services, and changes in the arrangements for contingency fees. The new proposals are intended to apply to the legal system in England and Wales.

The Work and Organisation of the Legal Profession

The principles underlying the first Green Paper[1] are set out as being to allow the market in legal services to operate freely while ensuring that the quality of the service provided is maintained.

The Government's aim is to give the public wider access to legal services provided by lawyers or by other specialist practitioners. To ensure the maintenance of high professional standards, it proposes to reconstitute the Lord Chancellor's Advisory Committee on Legal Education as the Lord Chancellor's Advisory Committee on Legal Education and Conduct – a standing committee appointed by the Lord Chancellor and reporting annually to Parliament, which would review the education and training of lawyers and other specialist practitioners, consider which areas of legal services require specialist expertise, and advise on codes of conduct for lawyers and other specialists.

The Government envisages that in future two separate professional codes will be necessary, one dealing with the provision of legal advice and assistance generally, the other covering particular issues connected with advocacy and related matters concerning the general conduct of cases in court. The main aim of the first code would be to ensure that clients seeking advice and assistance were given full and proper advice about the issues and handling of their cases. The second would be to ensure that there was adequate pre-trial preparation of cases and that cases in court were conducted competently and in the light of clear ethical standards.

A new Legal Services Ombudsman would have wide powers to investigate complaints from the public and refer cases against barristers, solicitors or any other new legal professionals who may establish themselves in the future.

The Government believes that advocacy, particularly in the higher courts, should be restricted to those who have the appropriate skills and standards of conduct, but aims also to widen the field of those with rights of audience before the courts. It proposes, therefore, that rights of audience should depend only on whether advocates – who could be barristers, solicitors, or others – can demonstrate the appropriate education, training and qualifications and are bound by appropriate codes of conduct. These would be matters for consideration by the Advisory Committee, which would present its conclusions to the Lord Chancellor; the Lord Chancellor would also be required to consult the judiciary before reaching decisions on rights of audience, and his decisions would be implemented by legislation and would therefore be subject to parliamentary approval.

It is proposed that rights of audience for all advocates should be dependent on a certificate of competence, defining the courts before which they are entitled to these rights. Advocates may be restricted to lower courts only, or to either civil or criminal work. Crown Prosecution Service lawyers will probably have rights of audience in all criminal cases, provided that they are able to satisfy the necessary conditions regarding advocacy certificates and codes of conduct. Barristers would retain their rights of audience before all the courts, but a limited

[1] *The Work and Organisation of the Legal Profession.* Cm 570. HMSO, £7·10. ISBN 0 10 105702 4. The other two papers are *Contingency Fees.* Cm 571. HMSO, £3·20. ISBN 0 10 105712 1; and *Conveyancing by Authorised Practitioners.* Cm 572. HMSO, £2·80. ISBN 0 10 105722 9.

extension of solicitors' rights of audience is proposed under the transitional arrangements: all solicitors would be granted limited general advocacy certificates, allowing them to appear in the Crown Court in all cases except jury trials; a full certificate would be granted if the solicitor could satisfy the necessary conditions.

The Government believes that direct access to counsel should be allowed: in other words, that advocates should be able to decide whether they wish to take instructions direct from lay clients or only from other legal professionals. It is intended to retain the present two-tier system of advocates, but in future those who hold full advocacy certificates, entitling them to appear in all the courts, would be eligible for appointment as Queen's Counsel (the senior grade of counsel). It is also proposed that all who have held an advocacy certificate for an appropriate minimum period for the courts covered by any particular judicial office should be eligible for appointment to that office; and that in addition judges in a lower court should be eligible for promotion to a higher one on the basis of their judicial experience in the lower court.

The Government also intends to remove statutory restrictions inhibiting the freedom of solicitors in England and Wales to engage in 'multi-disciplinary and multi-national practices' – traditionally, solicitors are limited to sole practice, or partnership only with other solicitors. Barristers would also be permitted to operate in partnerships.

Contingency Fees

At present lawyers in England and Wales are prevented from taking contingency fees: that is, acting on a 'no win, no fee' basis or taking cases on the basis that they will be paid a percentage of the damages awarded in the event of success. In Scotland lawyers are able to undertake cases on a 'speculative' basis: that they are paid their normal rates in the event of success, but otherwise are paid nothing. The Green Paper proposes that lawyers in England and Wales should also be allowed to act on a speculative basis, possibly coupled with the ability to agree an increase in the costs payable to the lawyer in the event of success. It makes no proposals on a wider relaxation – for example, to allow lawyers to receive a percentage of the damages awarded – but invites views on the question. The Green Paper does not consider that the introduction of contingency fees in England and Wales would lead to excessively high awards of damages or to a vast increase in litigation.

Conveyancing

This Green Paper proposes to empower the Lord Chancellor to authorise banks, building societies, other institutions and individuals to offer conveyancing[1] services to the public. These 'authorised practitioners' would have to comply with a code of conduct to be prescribed by the Lord Chancellor, to provide adequate protection for clients and their money and to ensure that conveyancing is carried out or supervised by solicitors or licensed surveyors. To ensure that independent solicitors and licensed conveyancers are able to compete with the new authorised practitioners on a fair and equal basis, the Green Paper invites views on whether authorised practitioners should be prevented from subsidising the provision of conveyancing services from their other activities.

[1] *conveyancing:* the creation, transfer and extinguishing of property rights and titles. At present this service can be carried out for a fee only by solicitors or licensed conveyancers.

Fair Employment in Northern Ireland

The Government's Fair Employment (Northern Ireland) Bill, which is intended to tackle religious discrimination in employment, received its second reading in the House of Commons on 31 January. It was approved by 272 votes to 192.

THE BILL'S PROPOSALS

The Bill proposes to strengthen employment law in Northern Ireland – the Fair Employment (Northern Ireland) Act 1976 (see p 460, 1976) – by establishing two new bodies: a Fair Employment Commission and a Fair Employment Tribunal (see pp 93-4, 1988). The 1976 Act's Fair Employment Agency is renamed the Fair Employment Commission and its duties are extended. Its task is to promote equality of opportunity and investigate employment practices, with powers to issue legally enforceable directions. The Fair Employment Tribunal is to adjudicate on individual complaints of religious or political discrimination and to enforce the Commission's directions, with the power to impose cash penalties of up to £30,000 for breaches of its orders.

The Bill also requires employers to provide equality of opportunity by monitoring and reviewing their employment practices to see if 'affirmative action' is needed; all public and private sector firms with 250 or more employees are required in addition to monitor applications for employment.

The Bill introduces new sanctions against employers in breach of their statutory obligations by providing for government grants and public sector contracts to be withheld. A new code of practice is to be drawn up by the Commission to guide employers in improving their employment practices, and there are to be wider statutory definitions of the terms 'discrimination' and 'equality of opportunity'.

PARLIAMENTARY DEBATE

Government View

Opening the debate in the House of Commons on 31 January (*Hansard*, Vol 146, No 39, cols 196-267), the Secretary of State for Northern Ireland, Mr Tom King, said that the Government sought not merely to prevent discrimination but to encourage and achieve equality of opportunity in employment in Northern Ireland. 'The principal objective of this Bill is a moral one. It is to ensure that a person's opportunity to obtain employment and all its benefits is

determined not by which part of the Northern Ireland community he or she comes from, but according to ability, and ability alone. That is a fundamental right of every human being. It is a major political objective of this Government to ensure that it is delivered in Northern Ireland.'

He said that the male Catholic population there had an overall rate of unemployment that was about two and a half times that of the male Protestant population, despite the 1976 Act and the hard work of the Fair Employment Agency, and the efforts of many employers and successive governments to attract investment to the areas with the greatest economic depression and most severely affected by the troubles. He pointed out that Protestants as well as Catholics suffered from discrimination and that this was equally unacceptable.

Mr King said that the Government recognised that the complexity of the problem called for a variety of different responses, but it was not insoluble. 'In a part of the United Kingdom which has a rate of unemployment higher than that of any other region, it is essential that any inequalities are tackled vigorously; that those jobs that are coming are fairly distributed, and everyone has the fullest opportunity to be fairly considered for jobs for which they are suited; and that Northern Ireland should be seen nationally and internationally as a place to invest where employment practices are fair.'

The Government rejected absolutely the proposal that there should be a proportion of jobs reserved for Catholics and for Protestants, because it was both morally wrong and unfair to individuals to make appointments on the basis of religion, for whatever motives. Bearing in mind that discrimination was often unconscious rather than conscious, and that established patterns of employment tended to perpetuate themselves to the virtual exclusion of either Catholics or Protestants from a particular workforce, Mr King said that one of the main aims of the Bill was to ensure that employers took positive steps to open their employment opportunities to applicants from all sections of the community.

While there was a general recognition among industries and employers in Northern Ireland of the need for fair employment, Mr King said, some employers were concerned about specific aspects of the Bill's application, and these details would be discussed at the committee stage. The Bill did not define fair participation or prescribe any particular levels of participation for which employers should aim, because this would depend on the size, location and type of work of a particular company and on the availability of suitably qualified applicants. The right level would vary from one workplace to another, and this was something that a fair employer should be able to assess.

An employer's monitoring and review might show that there was a need for 'affirmative action', defined in the Bill as 'the adoption of practices designed to secure fair participation in employment by Catholics or Protestants and the abandonment of practices which may restrict or discourage fair participation'. It might involve widening the catchment area, removing obstacles that stopped some people applying for jobs, setting goals and timetables for the ending of haphazard recruiting arrangements, setting up special training facilities, ending displays of provocative flags and emblems at work, or widening the range of schools contacted.

Mr King said that part of the Bill dealt with the withholding of government grants and public sector contracts from employers who were in breach of any of their major statutory obligations. Disqualification would be determined by the Commission, if an employer had been convicted of failure to register or to submit monitoring returns or of failure to comply with an order of the Tribunal. This would be a very powerful sanction, over and above any other penalties for which the employer might be liable. Public sector bodies would be precluded from accepting tenders from disqualified employers and would require any subcontractors not to be disqualified. Northern Ireland departments would be authorised to withhold financial assistance from employers who had been disqualified; this would apply not just to grants, but possibly to loans or investment.

Opposition Views

Speaking for the official Opposition, Mr Kevin McNamara said that the most important of the Bill's many defects was its treatment of affirmative action. Unless employers were permitted or encouraged to adopt 'religion-specific' programmes to remedy imbalances in their work forces, the new legislation would not succeed. The Bill defined 'affirmative action' as meaning practices that would secure 'fair participation' by the Catholic and Protestant communities in Northern Ireland, but did not define what was fair nor lay down any criteria by which participation could be claimed to be fair.

He also pointed out that neither the provisions allowing limited affirmative action nor those empowering the Fair Employment Commission to require employers to engage in such action were treated as exceptions to the duty not to discriminate directly or indirectly on religious grounds: without such an exception, the duty not to discriminate would take precedence and the ability to take affirmative action would be restricted. Measures effectively increasing the chances of under-represented groups that were lawful under existing legislation might now be challenged under the Bill on the grounds of indirect discrimination because they gave disproportionate advantage to the members of the minority community.

The Bill also reduced the rights of individuals discriminated against to seek redress by reducing the level of damages to a maximum of £8,500 and repealing the existing provisions requiring employers to engage, re-engage or reinstate victims of discrimination. Its sanctions against employers were weaker than those put forward in the Government's earlier White Paper (see pp 187-90, 1988), and its sanctions against recalcitrant public sector employers were weaker than those against private sector employers.

For the Social and Liberal Democrats, Mr Paddy Ashdown said that no piece of legislation to deal with discrimination had ever done so perfectly. The Bill was an attempt to deal with a serious problem, and his party would give it a qualified welcome, though sharing many of the official Opposition's concerns about it, hoping that these matters would

be dealt with at the committee stage. He also pointed to particular deficiencies in the Bill: the inadequacy of some of its financial penalties, the lack of adequate legal aid provision for individuals fighting cases against discrimination, the Bill's failure to deal with the question of positive discrimination, and its clashing with existing legislation on sexual and racial discrimination. Nor did it tackle some key areas such as how to create jobs in Northern Ireland.

Views of Northern Ireland Parties

For the Official Unionists, the Rev. Martin Smyth said that the Bill's basic assumption was that if there was an imbalance between the numbers of Catholics and Protestants who were unemployed, the cause was always and exclusively religious discrimination on the part of employers. A sensible employer, however, would always employ the person who was best suited for the job.

Speaking for the Democratic Unionist Party, the Rev. Ian Paisley said that the answer was to provide more jobs in Northern Ireland; he believed that people should be appointed on merit.

On behalf of the Social Democratic and Labour Party, Mr Eddie McGrady said that it had become evident over the years that persuasion and gentle encouragement – the methods of the 1976 Act – had had little or no effect. Positive, strong legislation with severe penalties was needed. The Bill might be the last chance to create a meaningful piece of legislation to redress the problem, but it would do so only with substantial amendments in committee.

Conference on Security and Co-operation in Europe

The need to keep up the pressure for improvement in human rights and security in Europe has been emphasised by Britain following the signing by 35 European and North American states of the Concluding Document at the end of the Vienna Conference on Security and Co-operation in Europe in January. In the same month, a British Government statement reviewed human rights in the Soviet Union and Eastern Europe during the last six months of 1988.

SUMMARY

The Concluding Document was signed by the participating states between 17 and 19 January following a review in Vienna (see pp 347-9, 1986) of the implementation of the Conference on Security and Co-operation in Europe (CSCE) commitments made in the 1975 Helsinki Final Act (see pp 307-15, 1975) and at the Madrid CSCE meeting in 1980-83 (see pp 351-5, 1983). The CSCE states agreed to resume the Stockholm conference on confidence- and security-building measures and to convene a meeting on conventional armed forces in Europe (see pp 415-19, 1988). They also undertook some new commitments, in particular in the fields of human rights and humanitarian contacts.

These advances include detailed commitments on freedom of religion (the right to give and receive religious education alone or in groups, the right to import religious literature and the right to build churches). The Document also guarantees the right to freedom of movement within each country and the right to leave any country and return to one's country. The participants also agreed to ensure that no-one would be subject to arbitrary arrest, detention or exile or to psychiatric abuse, and that individuals and groups would be allowed to promote human rights and express their views about them. Members of national minorities would not be discriminated against and their freedom of contact with each other would be ensured. The CSCE states agreed that their national laws, regulations, practices and policies would be made to accord with international human rights commitments and that individuals would have the right to appeal if their rights were being abused.

The participating countries further agreed to improve commitments in the field of human contacts, including the solution within the next six months of all outstanding family reunification cases and the reduction in the time taken in processing future applications. The secrecy provisions under which the right to leave a country has been refused on national security grounds are to be relaxed. In addition, the freedom of mail and telephones is to be respected and radio jamming ended. It was also agreed that greater freedom should be given to journalists (to possess and distribute information material, for instance).

The Vienna Concluding Document also has new chapters on the human dimension. Under these, all participants for the first time have accepted a continuous monitoring mechanism allowing other states to raise suspected human rights abuses at any time. This mechanism, consisting of four steps (requests for information, bilateral meetings, notification, and placing such cases on the agenda of the main CSCE conferences), will include annual meetings of a conference on the human dimension with a special subgroup devoted to discussion of individual human rights abuses.

BRITAIN'S VIEWS

Speaking at the Vienna Conference on 17 January, the Foreign and Commonwealth Secretary, Sir Geoffrey Howe, emphasised that the Helsinki process was about safeguarding all of Europe from any strengthening or resurgence of the repressive and destructive forces that occurred in Eastern Europe after the second world war. It was also about 'giving permanence to the principles of justice and freedom which alone can assure our peace and prosperity'.

Human Rights

The starting point at the Conference, Sir Geoffrey said, was a shared commitment to those principles as set out in the Helsinki Final Act. This meant the sharing of the responsibility to secure and uphold human rights and democratic freedoms through action as well as through commitment. In too many countries in Europe, Helsinki commitments were not being effectively implemented and the Act's principles were ignored or compromised in practice.

However, in the Soviet Union and most parts of Eastern Europe, there were signs of a new readiness to take human rights seriously. Britain welcomed the concrete steps which the Soviet Union had taken to release prisoners and to permit more emigration, although it was justified in expecting even more than this. To enter fully into 'the common European

home', the Soviet Union and its allies had to undertake institutional change and that meant enshrining human rights in national law. The speech by the Soviet President (Mr Mikhail Gorbachev) at the United Nations (UN) in December, which contained promises of new laws and regulations to improve human rights, and the Soviet Union's readiness to expand its participation in UN and CSCE monitoring arrangements were encouraging and welcome, Sir Geoffrey said.

Mr Gorbachev's statements still had to be put to the test, he continued. Britain's agreement to hold a meeting in Moscow on the human dimension in 1991 in no way lessened its vigilance and concern for human rights in the Soviet Union or meant that Britain was satisfied with the progress made there, especially regarding individual cases of prisoners and would-be emigrants. Sir Geoffrey added: 'The Soviet Union has given assurances, has taken on commitments in these areas. If these assurances and commitments are implemented; if the cases that concern us are resolved; if we see the promised changes in Soviet legislation and procedure; if in short we are convinced that Soviet commitment to change is genuine and irreversible – my Government will be willing to attend a Moscow Conference in 1991.' Britain wished President Gorbachev well in his task of ensuring that the spirit of freedom and reform was truly absorbed into Soviet politics.

Processes of overdue political and economic reforms in the Soviet Union and Eastern Europe were under way, he pointed out, an indication that the East was learning that individual freedom had an economic and social application as well. In addition, new opportunities were emerging in arms control and in the resolution of regional conflicts, with a good prospect of more to come.

Aims and Agreements

Western aims at the Conference, the Foreign and Commonwealth Secretary said, had been to agree to improvements to the Helsinki commitments themselves and to the implementation and follow-up of those commitments, in order 'to improve the lives of ordinary citizens'. Agreement had been reached at the Conference on the freedom to emigrate; the resolution within six months of all outstanding applications to travel for marriage or for family reunification; the right to practise religion without discrimination; the right to be safe from arbitrary arrest, detention, exile or psychiatric abuse; the right to seek remedy against injustice by the state; the right to private communication; and the right to hear other people's views, including broadcasts. The Soviet decision to end the jamming of broadcasting,[1] which Sir Geoffrey welcomed, denoted 'a fundamental shift, a new willingness to let people hear different opinions, to judge for themselves, to learn the truth'.

Implementation and follow-up were crucial elements in CSCE activity, he continued, since without results the Helsinki process would be as worthless as those constitutions still to be found in Eastern Europe which made promises that governments failed to fulfil. New ways to achieve those results included an agreement for the first time to monitor and consult on humanitarian and human rights matters which were 'solid gains for freedom and co-operation on our continent. We have reached a real consensus. Now we must give it real meaning. We must be sure to tackle the really major obstacles which still stand in the way of progress.'

While many barriers were coming down, Sir Geoffrey said, one, above all, remained: 'The Berlin Wall[1] mocks all our work to remove barriers to human contacts and understanding. . . . We look forward to the day when this cold war anachronism is finally torn down.'

Referring to the next review meeting in Helsinki in 1992 and the other follow-up meetings, he said that it was agreed in Vienna that at these meetings similar conditions of openness and access would apply. Provided that they were seen as useful and relevant, these meetings were 'the engine by which trust is established, human rights consolidated and freedom extended'.

European Security

The countries at the Conference had not forgotten the fact that the right to live in peace and security was the most basic human right of all, Sir Geoffrey said. They had opened the way for new talks on conventional armed forces, where the problem of imbalances which had threatened stability and security in Europe for 40 years could be tackled, and discussions on further confidence-building measures. Starting in March 1989, these negotiations would be crucial for arms control, and their success was dependent upon the maintenance of the trust created by the Vienna meeting.

Conclusion

Concluding, Sir Geoffrey said that, as a result of the Conference's efforts, many thousands of lives would be improved: 'I hope that prisons and courtrooms will be emptied of people who are there only because of their political or religious belief. I hope that more divided families will be reunited. I hope that more people from our countries will meet each other more easily, establish new friendships or do business. I hope that more people will take a fuller, more active and better informed part in their societies.'

CSCE CONCLUDING DOCUMENT

In a Concluding Document the participating countries underlined the essential role of the CSCE process 'in increasing confidence, in opening up new ways for co-operation, in promoting respect for human rights and fundamental freedoms and thus strengthening international security'. Welcoming the favourable developments in the international situation since the Madrid CSCE meeting in 1983, they agreed that 'renewed efforts should be undertaken to consolidate these positive trends and to achieve a substantial further improvement of their

[1]The latest round of jamming of Western broadcasting (the BBC World Service, the Voice of America and Deutsche Welle) by the Eastern bloc began in the early 1980s, during the period of the Soviet invasion of Afghanistan and the banning in Poland of the independent trade union Solidarity. The Soviet Union ceased its jamming of the BBC Russian Service in January 1987 and of Russian language broadcasts by Radio Free Europe and Radio Liberty in December 1988. The jamming of the BBC Polish Service stopped in January 1988.

[1]For further information see COI reference paper *Berlin*, No 293/87.

mutual relations'. They therefore reaffirmed their resolve fully to implement all the provisions of the Final Act and of the other CSCE documents.

QUESTIONS RELATING TO SECURITY IN EUROPE

Stressing that respect for and full application of the principles of the Final Act were 'of great political importance and essential for building confidence and security as well as for the development of their friendly relations and of their co-operation in all fields', the participants confirmed that 'they will respect each other's right freely to choose and develop their political, social, economic and cultural systems as well as their right to determine their laws, regulations, practices and policies. In ensuring these rights, the signatories undertook to ensure that these would conform with their obligations under international law and would be brought into harmony with CSCE principles and commitments. They also confirmed that 'all peoples always have the right, in full freedom, to determine, when and as they wish, their internal and external political status, without external interference, and to pursue as they wish their political, economic, social and cultural development'.

Territorial Disputes

In addition to their commitment to observe the principle of the territorial integrity of states, the participants confirmed the principle of peaceful settlement of disputes, and undertook to refrain from the threat or use of force and to pursue continuous efforts to examine and elaborate 'a generally acceptable method for the peaceful settlement of disputes aimed at complementing existing methods'. To implement this commitment (which includes the mandatory involvement of a third party in the settlement of some types of disputes), they decided to convene a meeting of experts in Valletta (Malta) in January-February 1991 to establish a list of the types of disputes and related procedures and mechanisms (the establishment of means for arriving at binding third-party decisions, for example).

Terrorism

Condemning unreservedly all acts of terrorism, the CSCE countries expressed their intention to pursue a policy of firmness in response to terrorist demands, to reinforce bilateral and multilateral co-operation among them in order to combat terrorism, and to prevent on their territories illegal activities leading to terrorism or subversion directed towards the violent overthrow of the regimes of other states. They would also ensure the extradition or prosecution of people implicated in terrorist acts.

Human Rights and Fundamental Freedoms

The CSCE states confirmed their respect for human rights and fundamental freedoms, including the freedom of thought, conscience, and religion or belief, for all without distinction as to race, sex, language or religion. They expressed their determination to guarantee the effective exercise of these rights and freedoms. To further this, they agreed to develop their laws, regulations and policies, to publish and disseminate CSCE and other documents relating to human rights, and to encourage the consideration of the promotion and protection of human rights in schools and other educational institutions. They agreed to provide effective remedies for individuals claiming that their human rights had been violated, including the right to appeal and to a public hearing before an independant and impartial tribunal.

They recognised that 'the promotion of economic, social, [and] cultural rights as well as of civil and political rights is of paramount importance for human dignity and for the attainment of the legitimate aspirations of every individual'. They therefore promised to continue their efforts with a view to 'achieving progressively the full realisation of economic, social and cultural rights by all appropriate means'. They also confirmed their determination to ensure equal rights for men and women.

Freedom of Religion

In order to ensure the freedom of the individual to profess and practise religion or belief, the signatories agreed to prevent and eliminate discrimination against individuals or communities on the grounds of religion or belief, and to respect the rights to maintain places of worship or assembly and to receive religious education (including the right of parents to have their children educated in conformity with their own convictions and the right of people to be trained in religious institutions). The rights to possess, produce, and import religious literature were also to be respected.

National Minorities

The participating states agreed to make sustained efforts to implement the provisions of the Final Act and the Madrid document in order to ensure the protection of the rights and fundamental freedoms of national minorities, to refrain from any discrimination, and to protect and create conditions for the promotion of national minorities' ethnic, cultural, linguistic, and religious identity.

Freedom of Movement

The Concluding Document emphasises the right to freedom of movement and residence within each country and the right (accepted for the first time in the CSCE process) to leave any country and to return to one's own country.

Prison and Psychiatric Abuse

The Concluding Document states that no-one will be subjected to arbitrary arrest, detention or exile, and prohibits torture and other cruel, inhuman or degrading treatment or punishment; the individual will also be protected from any psychiatric or other medical practices that violate human rights and fundamental freedoms.

CSCE Monitoring

The participating states agreed to respect the right to observe and promote the implementation of CSCE provisions, to facilitate direct contacts and communication among governments, organisations and individuals within and between states, and to remove any legal and administrative impediments hindering this right. They also agreed to ease access to information regarding the implementation of CSCE provisions.

Security and Co-operation in Europe

To build on the measures adopted at Stockholm in 1986, the participants agreed that negotiations would take place in Vienna from 6 March with the aim of elaborating and adopting a new set of mutually complementary confidence- and security-building measures designed to reduce the risk of military confrontation in Europe.

On the negotiations on Conventional Armed Forces in Europe, they agreed that these would also commence in Vienna on 6 March within the CSCE process. The objective of the negotiations is to strengthen European stability and security through the establishment of a stable and secure balance of conventional armed forces and equipment at lower levels; and the elimination of disparities and of the capability for launching surprise attack and for initiating large-scale offensive action.

ECONOMICS, SCIENCE, TECHNOLOGY, AND THE ENVIRONMENT

The participating states agreed to continue efforts to promote conditions for trade and industrial co-operation. These will involve the easing of direct contacts between firms, buyers and consumers, the publication of economic and commercial information and the improvement of the legal, administrative and financial conditions for investment in and operation of joint ventures. A Conference on Economic Co-operation in Europe is to be held in Bonn in March-April 1990.

On science and technology, the signatories accepted the need to develop further mutually advantageous co-operation. In particular they agreed to promote the rational use of natural resources, to intensify research and exchange information on drug abuse, and to co-operate in fighting AIDS.

The CSCE states also agreed to intensify efforts to protect and improve the environment, including the control and reduction of sulphur, nitrogen oxide and other air pollutant emissions (such as hydrocarbons and those producing photochemical oxidants), the protection of the ozone layer, and the control of international movement of hazardous wastes. They further decided to co-operate bilaterally and multilaterally with a view to improving and co-ordinating arrangements for prevention, early warning, exchange of information and mutual assistance in cases of industrial accidents likely to cause damage to the environment. A meeting on the protection of the environment is to be convened in Sofia (Bulgaria) in October-November 1989.

Underlining the economic importance of tourism and its contribution to the mutual understanding of people, the participants agreed to ease normal contacts between tourists and the local population by diversifying accommodation and developing low-budget and youth tourism, for instance. Other areas of co-operation set out in the Document include measures to improve the economic, social and cultural conditions of life for migrant workers and their families (such as applications for family reunification and visits and educational opportunities).

Security and Co-operation in the Mediterranean

The CSCE states reiterated their conviction that security in Europe had to be considered in the context of world security, and that this was linked with that of the Mediterranean area. Broader and more active co-operation, they considered, could contribute to increased mutual understanding and enhanced confidence leading to greater stability, security and peace in the region, taking into account the interests of developing countries there. They agreed to convene a meeting including non-participating Mediterranean countries (as well as competent international organisations), to take place in Palma de Mallorca (Spain) in September-October 1991.

HUMANITARIAN CO-OPERATION

Human Contacts

The CSCE countries agreed to find solutions within six months to all outstanding applications based on the human contacts provisions of the Document. In addition they resolved to deal with applications concerning family meetings normally within a month; this period is three months for those applications relating to family reunification or marriage between citizens of different states.

Those applications to travel because of serious illness of a family member, for instance, would be decided within three days, while restrictions on travel abroad because of national security would be as short as possible and would be reviewed within six months and at regular intervals thereafter. Direct personal contacts between citizens of each state would be encouraged and freedom of posts and telecommunications respected.

Information

The Vienna Conference agreed to facilitate the freer and wider dissemination of information of all kinds, to improve the working conditions of journalists and to allow individuals and organisations the right to obtain, possess, reproduce and distribute information of all kinds. It was also agreed to refrain from taking restrictive measures such as expelling journalists because of their reports or writings, and to ensure their right to seek access to and maintain contacts with public and private information sources.

An information forum is to be convened in London in April-May 1989 to discuss improvements in the circulation of, access to and exchange of information, and in working conditions for journalists.

Cultural Exchange and Co-operation

The CSCE states agreed to promote cultural co-operation, stressed the rights of unhindered access by the public to cultural events on their territory organised by other countries, and promised the unimpeded circulation of works of art – including translations of literature – and other cultural objects. In addition they agreed to facilitate exhibitions, festivals and tours by ensembles or companies in order to increase the opportunities for their people to acquaint themselves with the creative and artistic work of other states.

A symposium on the cultural heritage of CSCE

countries is to be convened in Cracow (Poland) in May-June 1991.

Educational Co-operation and Exchanges

The Document stresses the need for unimpeded communication between universities and other institutions of higher education and research. CSCE states also committed themselves to ensure mutual unrestricted access by academics and students from participating states to open information material in public archives, libraries and research institutes.

Bilateral exchanges of schoolchildren and further co-operation and contacts between specialised institutions and experts in the field of education and rehabilitation of handicapped children are to be encouraged.

HUMAN DIMENSION

Headed 'Human Dimension of the CSCE', this new section covers all issues related to human rights and fundamental freedoms. Recognising the need to improve the implementation of their commitments and their co-operation in these fields, the CSCE states agreed to exchange information among themselves and to hold meetings to resolve situations and specific cases. The monitoring mechanism consists of four steps: requests for information; bilateral meetings; notification of other CSCE countries; and the placing of cases on the agenda of the main CSCE conferences, including three conferences (in Paris in May-June 1989, Copenhagen in June 1990 and Moscow in September-October 1991) which will review the implementation of the relevant commitments and consider new proposals to improve them.

HUMAN RIGHTS IN THE SOVIET UNION AND EASTERN EUROPE

According to a review by the British Government of the human rights record of the Soviet Union and its allies, the six months to December 1988[1] saw significant improvements in their implementation of their Helsinki commitments. The extent of progress ranged from 'quite considerable' in some countries to 'negligible' in others, while in one country (Romania) the overall situation could even be deteriorating.

The Soviet Union

In the Soviet Union, significant improvements were made in the implementation of basic rights. In addition to the political commitment to institutional reform announced by Mr Gorbachev in his UN speech, the new draft principles of criminal legislation published on 16 December 1988 contained encouraging amendments such as the abolition of capital punishment for economic crimes and the deletion of exile and banishment from the list of available punishments. All prisoners convicted for political and religious 'crimes' had been released and (according to Soviet authorities) all conscientious objectors had been released to do mandatory labour as an alternative to military service.

However, the review noted that individuals remained in prison on trumped up criminal charges or in psychiatric institutions merely because of their political or religious opinions and beliefs, while several people had been detained for a month under emergency provisions in the Caucasus.

Forthcoming legislative reform, the Soviet authorities had announced, would include the abolition of the political article covering crimes of 'anti-Soviet slander' and a significant redrafting of the notorious article covering 'anti-Soviet agitation and propaganda'. Changes to legislation concerning religion were still being drafted, but unofficial reports had indicated that registration of religious communities might no longer be a requirement, religious literature might now be sent to the Soviet Union, and restrictions on providing religious instruction might be lifted. However, the review noted that it appeared unlikely that the expansion of religious freedoms would extend to the Ukrainian Catholic Church which would continue to be banned.

Emigration of Jews, ethnic Germans and Armenians continued to increase, the review noted, with Jewish emigration in 1988 being double (more than 20,000) that for 1987 (11,500). Some long-term *refuseniks* (Jews who have had their application to emigrate turned down) had their security restrictions lifted in December and some were given permission to emigrate. In December Mr Gorbachev had promised adjustments to the emigration law and the imposition of set time limits for secrecy restrictions in order to settle the *refusenik* problem. At the same time, however, permission to emigrate was refused to a number of long-term *refuseniks* on secrecy grounds. Also, some administrative obstacles were still being placed in the way of Soviet citizens seeking to emigrate.

In the implementation of the commitments to the free flow of information, the most significant development in the last six months of 1988 had been the cessation of the jamming of Western radio broadcasts and the greater tolerance of public criticism and debate by the Soviet authorities, not only about past policies and personalities but also about current events. However, the review pointed out that Alexander Solzhenitsyn's works were still banned on ideological grounds.

Eastern Europe

The position of human rights activists and religious believers in Bulgaria remained difficult, the review said, with no progress being made on the continuing issues of the assimilation policy and repressive measures directed against the Turkish and other ethnic minorities.

In Czechoslovakia, although there were signs that the authorities were prepared to make some concessions on political rights, their human rights record was poor: demonstrations were forcibly broken up, as was an unofficial historical symposium whose Czech and foreign participants were harassed. On the other hand, Alexander Dubcek (the Czech leader at the time of the Soviet invasion of Czechoslovakia in 1968) was allowed to attend meetings abroad, and efforts, though limited, were made

[1]For the review of human rights in Eastern Europe in the first six months of 1988, see *Hansard*, Vol 137, No 185, written answers, 11 July 1988, cols 74-80. For the period January to December 1987, see pp 161-2, 1988.

to improve the Czech Government's record on travel. Permission was also given to hold an unofficial Human Rights Day demonstration in December.

The German Democratic Republic's implementation of the Final Act continued to be unsatisfactory, the review stated. While there was a welcome increase in the number of people allowed to pay short-term visits to the West, those applying for permanent emigration routinely suffered harassment and some were even imprisoned. Church publications continued to be the subject of censorship.

Hungary's human rights record remained relatively good compared with its neighbours', the report said. The need to make some political reforms was accepted by the Hungarian leadership; a new constitution was being drafted, the party programme and statutes were under revision and draft laws on assembly and association being debated. Restrictions on foreign exchange requirements for Hungarians travelling abroad were abolished, thereby removing the final limitation on travel to other countries. However, there was room for improvement in Hungary's performance. There were an estimated 160 people in prison for refusing military service, although it was agreed in November 1988 to allow conscientious objectors to perform 36 months' alternative service.

Poland's implementation of the Final Act also improved during 1988. The authorities have stated their wish to talk with the opposition[1] while a number of other proposals for liberalisation, including the involvement of independents in government, were being discussed. From the beginning of 1989 Poles have been able to keep at home passports valid for travel to all countries for up to ten years.

In Romania, however, repression continued, the review said. The policy of forcible urban and rural rehousing was an attempt at nationwide social engineering involving flagrant breaches of human rights. There was concern about the safety of Mrs Doina Cornea following the publication in the West of her letter to the Romanian President on the state of Romanian human rights and about unacceptable treatment of ethnic minorities. The control over contacts between nationals and foreigners had also been tightened up.

BACKGROUND

The provisions of the Helsinki Final Act are grouped under four main headings: questions relating to security in Europe, which includes a 'Declaration on Principles Guiding Relations Between Participating States'; co-operation in the fields of economics, science and technology and of the environment; co-operation in humanitarian and other fields; and arrangements for follow-up conferences on, among other things, implementation of the Final Act. There is also a section dealing with questions relating to security and co-operation in the Mediterranean.

In the section on security in Europe, the signatories adopted a declaration of principles which were to guide relations between them. Under these principles, they undertook to 'respect each other's sovereign equality and individuality' and their right 'to territorial integrity and to freedom and political independence', and to refrain from the threat or use of force in any way inconsistent with the purposes of the United Nations Charter and the declaration. Other principles include the inviolability of frontiers, the respect for territorial integrity, the peaceful settlement of disputes and non-intervention in the internal affairs of other states (such as refraining from direct or indirect assistance to terrorist activities).

In another set of principles, which are the central pivots of the Final Act's human rights provisions, the signatories agreed to respect human rights and fundamental freedoms, including the freedom of thought, conscience and religion or belief, and recognised that these rights and freedoms were essential for the development of friendly relations and co-operation among all states. Further, they agreed to respect the equal rights and self-determination of peoples by stating that 'all peoples always have the right, in full freedom, to determine, when and as they wish, their internal and external political status, without external interference and to pursue as they wish their political, economic, social and cultural development'.

The section on European security includes a document on confidence-building measures, such as prior notification of military manoeuvres and the exchange of observers, aimed at lessening military confrontation in Europe. This section also contains a declaration designed to improve good relations with non-participating Mediterranean countries, including the promotion of stability, security and economic development in the area.

In another section, the states pledged themselves to improve conditions for commercial exchanges, to encourage the development of industrial co-operation and projects of common interest in the field of energy, raw materials, transport and communications, and to foster co-operation in science, technology and the environment.

In the section on co-operation in humanitarian and other fields, they agreed to co-operate with a view to creating better conditions for increased cultural and educational exchanges, for broader dissemination of information, and for contact between people, including solutions to humanitarian problems – marriages, requests for visits, and the reunification of families, for example – and greater travel and exchanges among young people.

Follow-up Conferences

The Vienna Conference was the third meeting reviewing the implementation of the Final Act. Previous meetings took place in Belgrade in 1977-78 (see pp 114-15, 1978) and in Madrid between 1980 and 1983. At Madrid the participating states recognised the need for further action to secure the Final Act's human rights provisions, provided for a number of subsidiary meetings[1] and convened a conference in Stockholm on confidence- and security-

[1]These talks involving representatives from the Government, party, official trade union organisation and opposition, including leaders of the banned trade union Solidarity, began on 6 February.

[1]These meetings took place in Athens (in 1984, on the peaceful settlement of disputes), Venice (in 1984, in a seminar on economic, scientific and cultural co-operation in the Mediterranean), Budapest (in 1985, in the form of a Cultural Forum), Ottawa (in 1985, on human rights) and Berne (in 1986, on human contacts).

building measures and disarmament. This led to the 1986 Stockholm Accord designed to bring about a greater degree of openness and predictability of military activities in Europe (see pp 317-19, 1986).

European Monetary Issues

A free-market approach to the single European market was advocated by the Chancellor of the Exchequer, Mr Nigel Lawson, in a speech in London on 25 January. He rejected the idea of tax harmonisation, which was not a precondition for the single market, and confirmed that Britain would not join the exchange rate mechanism of the European Monetary System until the time was right. Full economic and monetary union, Mr Lawson warned, was not consistent with sovereignty in fiscal and monetary policies.

Single European Market

The single European market of 1992 (see p 337, 1988), which was the most important aspect of the Single European Act (see pp 143-4, 1986), marked a decisive step towards a freeing of markets in Europe, the Chancellor said. The single market was about freedom of movement for goods, services and capital, and the ending of protective barriers – whether direct or indirect. It was about exposing Europe to competition in the belief that greater competition was the spur to increased efficiency and the key to economic success.

However, there were those who did not have a free-market vision of Europe. They were therefore trying to turn the clock back by advocating a concept of 1992 based on supranational regulation – not one where barriers were broken down but one where restrictions and controls were levelled up. There were also others who, even if they felt a liberal regime within the Community to be inescapable, were seeking to make the European Community an exclusive club. For them the single market was defined not by its commitment to liberalisation but by the barriers erected around it.

The contrast between the two rival versions of Europe was thus between, on the one hand, an over-regulated, protectionist Europe from which outsiders were excluded and in which competition was seen as a threat and, on the other, a deregulated, free-market, open, competitive Europe driven by consumer choice and transferring sovereignty to the people. Britain was firmly in favour of the second version. It would be the height of folly, Mr Lawson warned, for Europe to dismantle internal trade barriers only to erect new ones against the rest of the world.

He went on to reject some of the social measures associated with 1992 such as the levelling up of worker protection provisions and attempts to reduce regional disparities by resource transfers. 'Subsidising industries and subsidising regions destroys their will to compete, and thus their ability to compete.'

The Chancellor rejected the idea of the European Community introducing protectionism under the guise of reciprocity. Proposals for reciprocity often went far beyond the legitimate aim of persuading other countries to open their markets; they either sought to impose constraints on bilateral trade – which was protectionism at its worst – or made such unreasonable demands for the terms of Community access to other markets that the result was no access at all.

Britain was thus committed to breaking down barriers so that the single market really was a free trade area. As the barriers came down it was up to industry to meet the challenge so presented. With its recent growth in profitability, productivity and investment, British industry appeared well equipped to meet the challenge.

On multiple national standards, Mr Lawson said that the breakthrough of the single market concept was the acceptance that national differences could continue provided each country accepted that products approved in one country should be free to compete throughout the Community. This was the true market approach, exposing regulation itself to competition.

Britain had been in the forefront of promoting practical steps to liberalise intra-Community trade. In the financial area it had taken the lead in pressing for freedom of capital movements and for liberalisation of trade in insurance and had been active in negotiating for a true internal market in banking and investment services. Financial services, the Chancellor pointed out, were one of the world's fastest growing industries. Public procurement was another area in which opening the market to competition within Europe could bring enormous benefits; public purchases accounted for some 15 per cent of Community output.

Fair competition between companies in the field of takeovers and mergers (see pp 380-1, 1988) was also necessary. Britain observed an open and liberal regime, but other countries maintained barriers which had the effect of preventing capital markets from operating efficiently. The Community had to avoid the trap of erecting new barriers under the guise of harmonisation or of creating new centralised powers.

Tax Approximation

The current proposals for tax approximation – especially the harmonisation of value added tax (VAT) and excise duty within narrow bands – would mean the enforced abandonment of Britain's zero rates of VAT on such items as food and children's clothing. Britain had already expressed its objections to these proposals.

Mr Lawson pointed out that studies by the European Commission had shown that enforced tax approximation was not a necessary feature of the single market. Moreover, indirect tax approximation was not seen as an end in itself but merely as an intermediate objective towards the declared goal of the removal of fiscal frontiers. It followed that, if the final objective could be secured without taking the intermediate step, there was little point in the latter, especially as there was wide recognition of the political impossibility of harmonising excise duties on alcohol and tobacco. Instead, Britain had put

would be right to introduce a fully 'in-country' (that is, in Britain) right of appeal for all asylum applicants, it recognised the importance of ensuring an independent element in the refugee determination procedure. This was why it had agreed with the UNHCR and the United Kingdom Immigrants Advisory Service (UKIAS)[1] on a new system of referral of cases to the UKIAS which came into effect in September 1988. The agreement represented 'the best compromise between quick decision-making on the one hand and outside involvement in the refugee destination process on the other'.

The steps taken by the Government to combat abuse, including the introduction of visa requirements for certain nationalities and the carriers' liability legislation (see pp 120-1, 1987), had not caused any reduction in the ability of genuine refugees to find safe haven in Britain. However, there was no provision in the UN Convention or any other international instruments 'for asylum seekers who are no longer at risk to travel the world solely to search for a more congenial location'. Mr Renton emphasised that Britain 'remains fully committed to its international obligations. There has been and will be no question of our turning away genuine refugees who have not found safety elsewhere.'

Treatment of Refugees

Mr Renton said that Britain's arrangements for the reception and resettlement of refugees were based on the proposition that their basic needs could be adequately met by existing services provided by both central and local government. The aim was 'to ensure that those who have been granted refugee status have the same rights and opportunities as others living permanently here, and have access to the full range of state benefits and services'. Reception facilities for refugees arriving in Britain were provided by voluntary organisations, in particular Refugee Action, the Ockenden Venture and the British Refugee Council, and funded by the Department of Social Security.

There were also two special arrangements whereby funds were made available to voluntary organisations for assistance with initial reception and resettlement: one for a total of 150 refugees each year rescued at sea; and the other for Vietnamese refugees coming from camps in Hong Kong. More generally, the Home Office made funds available to assist voluntary refugee agencies, particularly their work with the statutory authorities to help make the services which those authorities provided fully accessible to the refugees, and in establishing refugee community groups for self-help purposes. Refugees' difficulties in getting access to existing services were discussed in Refugee Fora between refugee representatives and the providers of the services. Set up by the Home Office, two of these covered employment, training and education, and housing, while a third on personal services was being set up.

[1]The UKIAS is a voluntary organisation which advises people with immigration problems and arranges representation for them before government agencies in connection with their admission to and departure from Britain. For further details on immigration into Britain see COI reference pamphlet *Immigration into Britain: Notes on the Regulations and Procedures*, No 62/87.

Vietnamese Refugees

The announcement that Britain would in principle be prepared to accept a further 1,000 Vietnamese refugees from Hong Kong over two or three years was made in the House of Commons by Mr Timothy Eggar, Parliamentary Under-Secretary of State at the Foreign and Commonwealth Office, on 22 December 1988 (*Hansard*, Vol 144, No 23, cols 585-9).

The background to the announcement, Mr Eggar said, was the arrival between mid-1987 and mid-1988 of an extra 17,000 Vietnamese to join the 8,000 boat people already in camps in Hong Kong. Most of these arrivals were only seeking a better life in the West and not leaving to escape from political and religious persecution, and could not therefore meet the internationally accepted criteria for refugee status. Their arrival in Hong Kong almost overwhelmed the already stretched reception facilities there, as well as making it more difficult for genuine refugees in Hong Kong to find places for resettlement elsewhere, and possibly stimulating ever greater numbers of departures from Vietnam.

Mr Eggar said that to stop this the Hong Kong Government had, with Britain's support, introduced a new policy of screening in June 1988 to distinguish genuine refugees from the rest (see pp 230-1 and 368-9, 1988), and from September 1988 the flow of arrivals in Hong Kong had diminished significantly. In addition, the closed centres for those with refugee status were being liberalised and a new open camp run by the UNHCR for refugees was being constructed. A contribution of £1 million to UNHCR's operations in Hong Kong was announced by the British Government in October. Several hundred boat people had also expressed a wish to return to Vietnam and on 13 December the UNHCR and Vietnam had signed a memorandum of understanding to further this.

On the problems of the remaining recognised refugees in Hong Kong (more than 15,000 Vietnamese), he announced that the British Government was prepared, in principle, to contribute to solving that problem by taking a further 1,000 provided that other resettlement countries were willing to contribute commensurately. These refugees would include relatives of Vietnamese already in Britain, others with the potential quickly to become self-sufficient, and refugees who had been in the camps for a long time and had not yet been accepted elsewhere. The Government would enter into immediate consultation with the other resettlement governments and the UNHCR, and hoped that these governments would state clearly their readiness to match the British offer.

Shorter Note

OVERSEAS AID

Spending on overseas aid will rise to £1,430 million in 1989-90, an increase of £95 million on the figure for 1988-89. The amount planned for 1990-91 is £1,510 million, and that for 1991-92 is £1,570 million.

These figures are given in the Government's White Paper on Public Expenditure, published on 30 January (see pp 54-8).

The basic purpose of the aid programme remains the promotion of sustainable economic and social progress in developing countries and the alleviation of poverty. It is concentrated on the poorest countries where it can make the greatest contribution to development: in 1987 over 80 per cent of British bilateral aid went to countries with an annual per capita income of US$800 or less. Several important trends in British aid emerge in the White Paper, notably increased emphasis on the environment, additional support to voluntary agencies (see pp 304-5, 1988) and new support for AIDS prevention work. Emergency aid continues to have high priority: in the first ten months of 1988 the Government responded to over 70 disasters.

Source: ODA press notice, 30.1.89.

Public Expenditure Plans

The public expenditure White Paper, published on 30 January, estimates the public expenditure planning total in the current year, 1988-89, at £153,400 million – similar to the figure given in the 1988 Autumn Statement. Social security, health, defence, and education and science are, once again, the major areas of spending.

The public expenditure White Paper is published this year in 19 separate booklets[1]. The Government announced in May 1988 that the main account of its policy for aggregate public expenditure would be given in the Autumn Statement,[2] which now contains much of the information previously given in Chapter 1 of Volume I of the White Paper. The main role of the White Paper is to spell out the details of departments' programmes.

Revised projections of government receipts and borrowing (or debt repayment) over the medium term will be given on Budget day (14 March).

Measures of Public Spending

Public spending may be defined in a number of ways. The three main aggregates are general government expenditure, the public expenditure planning total and Supply expenditure.

General government expenditure is the spending of central and local government excluding transfers between them such as government grants to local authorities. It is the key public spending aggregate used in the medium-term financial strategy (see p 113, 1980), where public spending is set in the context of macroeconomic policy. It is more appropriate than the other measures for making international comparisons as it is usually less affected by institutional differences.

The public expenditure planning total is used by the Government for the purposes of planning and control. The Government seeks to achieve its wider medium-term objective (expressed in terms of general government expenditure) by controlling spending within this cash total. The planning total comprises the control totals for programmes of departments and public corporations together with an unallocated reserve for future years. It is wider than general government expenditure, in including, for most public corporations, all external finance and not just what they obtain from government; it is narrower, in excluding debt interest, which is affected by government policy on borrowing and interest rates but is not controlled as an expenditure programme. These differences apart, the planning total is based on the same definitions as general government expenditure. The Government announced in a White Paper in July 1988[1] (see pp 273-4, 1988) that the planning total would be redefined to distinguish expenditure for which central government was responsible from that which was the responsibility of local government. Figures on the new basis will be published for the first time in the 1989 Autumn Statement.

Supply expenditure is financed out of money voted by Parliament in the Supply Estimates.[2] In turn, it finances the bulk of central government expenditure; the most important exclusion is expenditure from the National Insurance Fund, which accounts for well over half of social security spending.

Totals

Table 1 shows the expenditure for which individual departments are responsible. The departmental figures cover all spending for which the relevant Secretary of State is responsible; thus, for most departments, the figures include not only central government expenditure but also local authority spending and finance for public corporations.

The table also includes three other elements in the planning total: the reserve, privatisation proceeds and the adjustment. The reserve provides a margin for uncertainties and is intended to cover any additions to departmental spending, whether arising from policy changes, new initiatives, contingencies or revised estimates of demand-determined programmes such as social security. Privatisation proceeds, in accordance with national accounts practice, reduce the planning total. The adjustment allows for the difference between HM Treasury's overall view of the likely outturn in 1988-89 and the sum of the other items shown.

The table shows figures for general government gross debt interest and the other national accounts adjustments required to move from the planning total to general government expenditure.

[1] *The Government's Expenditure Plans 1989-90 to 1991-92.* HM Treasury (see p 79).

[2] See article on pp 373-7, 1988, later reproduced as COI reference paper *Britain's Economy: the Autumn Statement*, No 253/88.

[1] *A New Public Expenditure Planning Total.* HM Treasury. Cm 441. HMSO, £2·80. ISBN 0 10 104412 7.

[2] For more information, see COI reference paper *Public Finance in Britain*, No 143/88.

Table 1

Public Expenditure by Department

£ million

	Estimated outturn 1988-89	Plans 1989-90	1990-91	1991-92
Defence	19,200	20,143	21,190	22,100
Foreign and Commonwealth Office	2,223	2,306	2,440	2,540
European Community	950	1,970	1,950	1,580
Agriculture, Fisheries and Food	1,863	1,946	2,160	2,350
Trade and Industry	1,815	1,545	1,460	1,230
Energy	20	−245	−510	620
Employment	4,054	4,021	3,960	3,960
Transport	4,846	5,352	5,540	5,660
Environment – housing	2,064	1,710	2,030	2,380
Environment – other environmental services	4,361	4,473	4,560	4,700
Home Office and legal departments	7,277	7,977	8,390	8,630
Education and Science	18,412	19,571	20,240	20,770
Arts and Libraries	978	976	1,010	1,050
Health	21,691	23,156	24,390	25,400
Social Security	47,588	50,985	55,300	58,700
Scotland	8,773	8,974	9,130	9,680
Wales	3,638	3,783	3,890	4,010
Northern Ireland	5,198	5,522	5,690	5,910
Chancellor's departments	3,750	4,108	4,300	4,510
Other departments	365	281	320	320
Reserve	–	3,500	7,000	10,500
Privatisation proceeds	−6,100	−5,000	−5,000	−5,000
Adjustment	450	–	–	–
Planning total	153,400	167,055	179,400	191,600
General government gross debt interest	17,700	17,000	16,000	15,500
Other adjustments	9,800	9,500	9,500	9,000
General government expenditure	180,900	193,700	205,000	216,000

Note: Differences between totals and the sums of their component parts are due to rounding.

At £153,400 million, the estimated 1988-89 outturn for the planning total is £200 million less than the figure given in the Autumn Statement.

Analysis by Department

The Departments of Social Security and Health, the Ministry of Defence and the Department of Education and Science are, as in previous years, the largest spenders, accounting for some two-thirds of the total for departments. Key aspects of expenditure by some of the larger departments are outlined below.

Social Security

Social security is the largest single programme, accounting for over 30 per cent of planned public expenditure in 1989-90. Social security benefits comprise some 95 per cent of the programme, whose aim is to provide an efficient and responsive system of financial help. The Government seeks to supply helpful, prompt and accurate service. In particular, it aims to ensure soundly based support for retired people by way of state provision and their own savings and pensions; to provide help for poorer families; and to improve the framework of benefits for the disabled. Accordingly, the Government has been monitoring the results of the reformed structure of benefits introduced by the Social Security Act 1986 (see pp 71-3, 1986). The Government will continue to maintain the value of the state pension while encouraging the development of occupational and personal pensions.

Health

The health and personal social services programme provides for spending by central government on the National Health Service (NHS) and by local authorities on personal social services in England. The aims of the programme are to provide treatment and care, to extend life and to maintain or enhance its quality. Particular attention is given to the increase in demand for services as a result of the growth in the number of old people; the continuing need to enhance primary care and community services for people living independently, thus reducing their need to make use of in-patient hospital services; and the growing number of people with AIDS[1] and the human immunodeficiency virus (HIV).

Defence

The Government's main objectives for defence are to maintain the security of Britain and to keep it free to pursue its legitimate interests and activities at

[1]For more information, see COI reference paper *AIDS Control in Britain*, No 290/87.

home and abroad.[1] The principal threat facing the West is posed by the military capabilities of the Soviet Union and the Warsaw Pact countries. To meet this threat successive British Governments have maintained membership of the North Atlantic Treaty Organisation (NATO). As a defensive alliance, NATO's overriding aim is to prevent war by a policy of collective deterrence. NATO also seeks balanced and verifiable arms control agreements wherever possible. It aims to reduce the level of forces needed to ensure deterrence and preserve security. Over 95 per cent of Britain's defence budget is devoted directly or indirectly to NATO commitments.

Education and Science

The main aims of the education and science programme are to raise standards at all levels of ability; to increase parental choice; to secure the best possible return from investment in education; to widen access to further and higher education, making them more responsive to the needs of the economy; and to enhance the strength and quality of the science base, learning and scholarship. The Education Reform Act 1988 creates a new basis on which to meet these objectives.[2]

Employment

The employment programme seeks to promote a competitive and efficient labour market conducive to the growth in employment and reduction in unemployment, using the available resources in a cost-effective way. It aims to secure better arrangements for people to acquire and improve their skills and competence for work; to give positive help to the unemployed; to promote the creation and subsequent growth of small firms and self-employment, and the development of tourism; and to promote a positive environment for work. White Papers published in 1988 on training and employment[1] set out a number of policy proposals.

Environment – Housing

Among the Government's aims for housing are a continued increase in home ownership through council tenants' right-to-buy programmes and mortgage tax relief, and a widening in the choice of rented accommodation by enabling private landlords to make reasonable returns.[2] Most expenditure on housing is attributable to the private sector, which the Government wishes to encourage further.

Environment – Other Environmental Services

Expenditure on other environmental services is on a range of functions including inner cities, Urban Development Corporations, the Urban Programme, derelict land reclamation and new towns.

Home Office

Four-fifths of Home Office expenditure is carried out by local authorities, mainly on the police but also on the fire and probation services, magistrates' courts and civil defence. Decisions on expenditure are largely a local responsibility but the Home Secretary exercises some control over manpower, pay and capital expenditure.

Transport

The transport programme aims to increase efficiency and reduce unit costs of transport in both the public and private sectors; to improve safety; to conserve the environment; and to advance British transport interests abroad.

Analysis by Spending Authority

Central Government

Central government is responsible for about three-quarters of the public expenditure planning total (see Table 2). This spending includes that of

[1]For more information, see COI reference paper *Britain's Defence Services*, No 231/87.

[2]See article on pp 426-8, 1987 later reproduced as COI reference paper *Education Reforms in Britain*, No 301/88.

[1]See articles on pp 108-11 and 429-35, 1988, later reproduced as COI reference papers *Training for Employment: Britain's New Programme*, No 308/88, and *Employment Policy and Training in Britain*, No 322/88.

[2]See articles on pp 331-3 and 428-32, 1987, later reproduced as COI reference paper *Housing Policy in Britain*, No 86/88.

Table 2

Public Expenditure by Spending Authority *£ million*

	Estimated outturn 1988-89	Plans 1989-90	1990-91	1991-92
Central government	115,069	123,718	131,200	136,900
of which				
Voted in Estimates	81,353	86,921	92,200	96,400
Other	33,717	36,797	39,000	40,500
Local authorities	43,179	44,011	45,500	47,100
of which				
Current	39,710	41,395	43,150	44,640
Capital	3,469	2,616	2,420	2,460
Nationalised industries	246	−30	−400	980
Other public corporations	569	856	1,010	1,060
Reserve	–	3,500	7,000	10,500
Privatisation proceeds	−6,100	−5,000	−5,000	−5,000
Adjustment	450	–	–	–
Planning total	153,400	167,055	179,400	191,600

Note: Differences between totals and the sums of their component parts are due to rounding.

government departments for their own activities and total or partial funding of other public bodies which do not undertake commercial activities as a major part of their work, of which the NHS is easily the largest. It also covers subsidies to a small number of trading bodies but does not include central government grants to local authorities.

About 70 per cent of central government spending is voted by Parliament through the annual Supply Estimates. The remainder consists mainly of those social security payments paid out of the National Insurance Fund.

Social security, health and defence together account for some 70 per cent of the total. In other major programmes, such as those of the Departments of Education and Science, and Transport and the Home Office, a large proportion of expenditure is carried out by local authorities and a correspondingly small proportion by central government.

Local Authorities

Local authorities account for about one-quarter of the planning total. They can undertake activities and spend money raised by rates, the community charge or taxes only if empowered to do so by Parliament. In most areas they have considerable discretion; in other cases Parliament or central government sets detailed rules.

Current expenditure is financed mainly by Aggregate Exchequer Grant and specific grants. Net capital spending has fallen substantially in recent years largely as a result of an increase in receipts from sales of council houses and other assets.

Public Corporations

Public corporations, which include the nationalised industries, are publicly owned trading organisations with a substantial degree of financial independence including the powers to borrow and maintain reserves. The planning total includes nationalised industries' finance from sources other than their trading activities. This embraces their borrowing and leasing from all sources and government grants. The nationalised industries' external finance is controlled on an annual basis by external financing limits (EFLs).

Despite the substantial level of investment planned, the nationalised industries' EFLs are expected to decline in 1989-90 and 1990-91. In the first year a net debt repayment of £30 million is planned and in the second year one of £400 million. The EFL of £980 million in 1991-92 reflects the removal from the public expenditure figures of the electricity industry, following privatisation (see pp 16-19), with its substantial negative external finance.

It has always been recognised that the public expenditure treatment of nationalised industries – that is, the inclusion of their external finance requirements in the planning total – provides a suitable model for other public corporations, on condition that control arrangements reflect their different position. There has been a gradual move in this direction over the years.

Analysis by Function

The territorial coverage of departmental expenditure varies. For example, the Department of Social Security is responsible for social security benefits in Great Britain while the Department of Education and Science covers local authority spending in schools in England only. In Table 3 the percentage share of each function in the planning total (excluding the reserve, privatisation proceeds and the adjustment) is shown, spending for which the Secretaries of State for Scotland, Wales and Northern Ireland are responsible having been allocated to the appropriate function.

Analysis by Economic Category

The White Paper divides public expenditure into seven economic categories: public service pay (including pensions); other current expenditure on goods and services; subsidies; current grants to persons (including social security benefits); net capital expenditure on assets; capital grants; and lending and other financial transactions.

By economic category, the 1989-90 planning total

Table 3

Public Expenditure by Function

Percentage shares

	1983-84	1988-89	1991-92
Defence	12·7	12·1	11·9
Overseas services	2·1	2·0	2·2
Agriculture, fisheries, food and forestry	2·0	1·5	1·5
Trade, industry, energy and employment	5·6	4·3	3·6
Arts and libraries	0·6	0·7	0·7
Transport	4·4	3·7	3·7
Housing	3·6	2·0	1·9
Other environmental services	3·9	3·6	3·3
Law, order and protective services	4·5	5·4	5·5
Education and science	13·5	14·1	13·6
Health and personal social services	15·1	16·9	16·9
Social security	29·8	30·9	32·5
Miscellaneous	2·2	2·7	2·7
Total	100·0	100·0	100·0

Note: Differences between totals and the sums of their component parts are due to rounding.

(again excluding the reserve and privatisation proceeds) is made up as follows: public service pay and other current expenditure on goods and services 55 per cent; subsidies 3 per cent; current grants to persons 36 per cent; net capital expenditure on assets 4 per cent; capital grants 3 per cent; and lending and other financial transactions −1 per cent.

Employment Bill

The Employment Bill, which provides for the removal of restrictions on the employment of women and young people and for the abolition of the Training Commission, has received its second reading in the House of Commons.

Main Provisions

The Bill is designed to promote equality of opportunity in employment and vocational training and to meet European Community obligations by amending or repealing most legislation that discriminates in employment and training matters between women and men. Clause 7 would remove certain differences in the treatment of male and female employees under protective legislation, and would repeal restrictions on women working in mines and quarries and on cleaning machinery in factories. Under clause 8 legislation on the hours of work of young people (including the prohibition of night work) and certain other restrictions on their employment would be repealed, while other provisions would be amended so that they would apply only to children below the minimum school-leaving age of 16. Clause 12 would remove the difference whereby men may receive statutory redundancy payments up to the age of 65 and women only up to the age of 60.

The Bill contains a number of provisions designed to reduce burdens on employers by amendments to the Employment Protection (Consolidation) Act 1978. Clause 9 would exempt employers with fewer than 20 employees from the requirement to provide employees with a note of disciplinary procedures in the written statement of their main terms and conditions of employment. Clause 10 would limit the duties in respect of which an employer is required to allow officials of a trade union time off with pay to those duties concerned with matters in respect of which the employer recognises the union. Under clause 11 the period for which an employee must have been continuously employed before he or she is entitled, if dismissed, to obtain a written statement of the reasons for dismissal would be extended from six months to two years, the same period as that applying to the right to complain of unfair dismissal.

Clause 16 would provide for pre-hearing reviews for industrial tribunal cases and tribunal chairmen would have discretion at the pre-hearing stage to require a deposit of up to £150 if it were considered that the case had no reasonable prospect of success, or that pursuit of it would be frivolous, vexatious or otherwise unreasonable.

Clause 18 would provide for the dissolution of the Training Commission and the transfer of its assets to the Secretary of State for Employment.

Parliamentary Debate

The Bill was given a second reading in the House of Commons on 11 January by 290 votes to 216 (*Hansard,* Vol 144, No 25, cols 853-940).

Government View

Introducing the Bill, the Secretary of State for Employment, Mr Norman Fowler, said that it was about 'the widening of employment opportunities for women and young people and the removal of unnecessary burdens on employers'. The labour market was changing and there would be a large reduction in young school-leavers (see pp 429-30, 1988), so that employers would have to develop the full potential of their existing workforces through training and utilise other potential sources of recruitment, the most important being women. Women already played 'a vital part' in many industries and professions, and accounted for 43 per cent of the workforce, with 60 per cent of women under 65 being employed or seeking employment, a higher proportion than in any other European Community country except Denmark. Restrictions which could stand in the way of women finding jobs or pursuing careers had to be removed.

Mr Fowler reaffirmed the Government's policy that sex discrimination should be avoided unless there were special circumstances, such as the protection of pregnant women. The Government also had an obligation under a European Community directive to remove any legislation that was contrary to the principle of equal treatment of the sexes. Britain's obligations under the directive had been largely implemented under the Sex Discrimination Act 1975, but the Bill would correct a conflict with the directive by reversing the priority given to existing discriminatory legislation, so that in future the prohibition of discrimination would take priority. The Bill would broadly implement the proposals in the consultative document issued in December 1987 (see pp 30-1 and 391, 1988). Where discriminatory requirements were still justified and consistent with the directive, the Bill would allow them to continue, as in the retention of protection for women where working could involve danger to an unborn child (for example when working with lead), while an exemption for different treatment was being retained in a few special cases in education. Where discriminatory provisions were not justified, the Bill would repeal or amend them.

Mr Fowler said that clause 7 would repeal 'a number of archaic restrictions on the employment of women', the most important being the prohibition on women working underground in mines and quarries. This not only prevented women from working at the coal face, but also from developing careers as mining engineers, surveyors and managers. The Government believed that this was 'an unjustified restraint'.

Many of the rules governing hours of employment for young people were 'absurdly complex' and could not be justified, Mr Fowler continued. They deterred employers from taking young people into employment. The Bill would remove many

unnecessary restrictions for those aged 16 to 18, while retaining all the safeguards considered desirable for health and safety reasons, such as those concerning work with dangerous machinery and chemicals and the sale of alcohol. He stressed that all the restrictions on the employment of children under the minimum school-leaving age would be retained.

The Bill provided for a number of amendments to ease the burden of legislation on employers, originating from proposals in a White Paper in 1986 (see pp 194-5, 1986). The Government was seeking 'a balance between safeguarding employees' rights and enabling employers to improve their competitiveness and create new job opportunities'.

On training, Mr Fowler said that instead of the Training Commission there would be a Training Agency, directly accountable to the Secretary of State; a National Training Task Force; and a network of about 100 training and enterprise councils (see pp 429-33, 1988).[1] This represented 'the biggest revolution in training arrangements' in Britain, designed to ensure the supply of skilled labour that Britain's industries and services needed to sustain economic growth into the 1990s and beyond.

Mr Fowler concluded by saying that the Bill was 'another step in the process of lifting restrictions and encouraging employment'. The Department of Employment supported policies of deregulation as these would 'create new jobs and lead to the further reduction of unemployment in Britain'.

Opposition Views

For the official Opposition, its chief employment spokesman, Mr Michael Meacher, said that the Bill would do nothing to provide the increased workforce for the 1990s. It failed to address the three options for dealing with the demographic changes: bringing more unemployed people back into work, retraining more older workers, and helping more married women to return to work. He criticised the provisions for young people who would be liable to work at night, longer shifts and excessive hours. He also said that there were a number of fundamental flaws in the Government's training programmes, for example, its Employment Training scheme was substantially underfunded.

For the Social and Liberal Democratic Party, its employment and training spokesman, Mr James Wallace, moved an amendment (which was defeated) declining to give the Bill a second reading. Mr Wallace said that the provisions designed to end some discriminatory practices against women were welcomed, as were those which would give more equal access to certain categories of jobs. However, the Bill failed to provide adequate protection for employed young people, seriously eroded individual employment rights, and made inadequate provision for training and for the long-term unemployed.

[1]This article has been offprinted as COI reference paper No 322/88, *Employment Policy and Training in Britain.*

Agriculture and Forestry

The report *Agriculture in the United Kingdom 1988*, published on 30 January, includes statistical detail on crops and livestock, and information on incomes from agriculture. It also notes significant policy developments within the European Community. In a recent speech the Minister of Agriculture, Fisheries and Food, Mr John MacGregor, has summarised some of the issues important for the industry in the 1990s.

In its annual report for 1987-88, the Forestry Commission has noted a record volume of wood harvested in Commission forests. A government initiative aims to improve the environment of central Scotland.

AGRICULTURE

The report,[1] successor to the *Annual Review of Agriculture* White Paper (see p 66, 1988), aims to give a more logical and coherent picture in a new format.

The contribution of agriculture to gross domestic product (GDP) during 1988 is provisionally estimated as £5,436 million (1·5 per cent of GDP) at current prices, compared with £5,649 million (1·6 per cent) in 1987. Gross fixed capital formation in agriculture came to some £990 million (£941 million in 1987). Self-sufficiency in food and feed is provisionally estimated at 57 per cent of all food and feed, and at 73 per cent of indigenous food and feed.

Structure of the Industry

At June 1988 the total area of agricultural land in Britain was 18·6 million hectares,[2] 77 per cent of the total land area. Of all farm holdings, estimated at 255,400, the 29,600 in the largest size group, some 12 per cent of the total, accounted for 55·8 per cent of agricultural activity. Only 2·6 per cent of activity came from the 113,200 holdings in the smallest size group, some 44 per cent of the total. The average size of farm business is 107·3 hectares, compared with a little over 106 hectares in 1987.

Some 586,000 people were engaged in agriculture – 2·3 per cent of the total workforce – compared with 594,000 (2·4 per cent) in 1987. The number of farmers, partners and directors, about 289,000, is about the same as that of family and hired workers (excluding salaried managers). Whole-time hired workers have continued to decline (101,000 compared with 106,000 in 1987), although there has been little change in the number of part-time workers (60,000 in 1987 and 1988), farmers, partners and directors.

At the end of 1987 the industry's capital stock amounted to some £24,400 million at 1985 prices (compared with £24,690 million at the end of 1986), of which buildings and works made up nearly two-thirds. Estimates of the numbers of tractors show a trend towards more powerful machinery within an overall decline.

Developments in 1988

European Community

In February 1988 the European Council adopted

[1]*Agriculture in the United Kingdom: 1988.* HMSO, £7·60. ISBN 0 11 242866 5.

[2]1 hectare = 2·4711 acres.

measures to bring effective budget discipline to bear on Common Agricultural Policy (CAP) expenditure (see pp 399-400, 1987; and pp 99-100 and 205, 1988):

1 to hold CAP guarantee expenditure within a guideline increasing at 74 per cent of the growth rate of the Community's gross national product. Both the Commission's annual farm price proposals and the settlement reached in the Council of Ministers must respect the guideline;

2 to link, through stabilisers, full CAP support to a specified quantity of Community production, in line with market demand, with cuts in support if those quantities are exceeded. In 1988 there were cuts in various items, including peas and beans (10 per cent), oilseed rape (7·65 per cent), and sheep (7 per cent in Great Britain). Coresponsibility levies must be paid if Community cereals production rises above 160,000 tonnes;

3 to require the Commission to manage the markets for each major commodity so as to avoid any overrun in budgeted expenditure. Should stabilisers need to be strengthened, the Council must take action on a Commission proposal;

4 to write down all purchased stocks to their probable sale value within one year of acquisition. (The Community has been able to disguise the true cost of the CAP, the report says, by allowing intervention stocks to build up without proper charge to the Community budget until they came to be sold.)

In 1988 the Council decided on a general freeze in common prices and on reductions in support mechanisms, and deferred green currency devaluations (greater for Britain than those achieved by its competitors) which respected the 1988 and 1989 guidelines. These reforms; poor weather in Britain, which reduced cereals and oilseed rape yields; and drought in North America, which raised world prices and reduced Community export refunds, saved Britain £300 million in expenditure on the CAP in 1988.

Britain

The green pound devaluations came into force on 1 January 1989. Between January 1988 and January 1989, monetary compensation amounts [based on the percentage difference between the green and market rates of each currency, applied to prevent distortions in trade, and operating as import subsidies and export levies for countries whose currencies' market rates are below the green rates, and as import levies and export subsidies in the opposite case] fell by between 7·4 and 11·4 percentage points. During 1988 intervention stocks of many commodities fell: butter by 80 per cent, beef by 25 per cent, and skimmed milk powder stocks were virtually eliminated. Over the years 1987 and 1988 cereal stocks fell by 50 per cent.

New Measures

Despite the speed with which it had to be brought into effect, the set-aside scheme (see p 240, 1988) generated substantial interest, with some 2,000 applications for the 1988-89 crop year covering some 60,000 hectares. The increase in the number of Environmentally Sensitive Areas to 19 (see pp 419-20, 1987) brought the total area covered by applications under the scheme to over 180,000 hectares. The Farm Woodland Scheme and the Farm Diversification Scheme (see p 67, 1988), which attracted over 1,200 applications in 1988, and the Farm and Conservation Grant Scheme (see p 437, 1988) are designed to increase the range of opportunities open to farmers to generate income without exacerbating the problem of surplus production.

Commodities

Cereals and Other Crops

The great storm of October 1987 (see p 415, 1987, and p 382, 1988) had an adverse effect on plantings and on the 1988 harvest, while the rainy midsummer of 1988 further depressed cereals and oilseed rape yields.

In 1988 cereals were grown on 3·92 million hectares, an estimated reduction of some 17,000 hectares since 1987, with increases of 64,000 hectares for barley and 22,000 hectares for oats; but the area sown to wheat is expected to be 103,000 hectares below the 1987 level. Total cereal production is expected to be 21 million tonnes, the lowest since 1981, but the quality of the 1988 harvest was much improved on the previous year, particularly for wheat.

Production of oilseed rape (just over 1 million tonnes compared with 1·35 million tonnes in 1987) partly reflected uncertainty over the level of support prices and the changeover to 'double-low' varieties, and its area declined by 10 per cent.

The area of sugar beet harvested in 1988, 200,000 hectares, is the same as in 1987. White sugar production is forecast to be about 1·35 million tonnes, the second highest on record, compared with 1·23 million tonnes in 1987.

Production of peas and beans continued to rise in 1988 to record levels. That part of the crop used for stockfeed yielded 286,800 tonnes for peas (compared with 262,600 tonnes in 1987) and 514,000 tonnes for beans (compared with 293,900 tonnes in 1987). Total potato production increased from 6·76 million tonnes in 1987 to some 6·81 million tonnes in 1988. The Government is to bring in legislation (after 1991) to abolish the potato guarantee arrangements, under which it provides financial support for potatoes in Great Britain. Arrangements in Northern Ireland are being considered separately.

Horticulture

The area devoted to horticulture in 1988 was 204,000 hectares, compared with 199,000 hectares in 1987. The area devoted to field vegetables showed a slight increase. Cauliflower output showed an increase of 31 per cent – 374,000 tonnes compared with 285,000 tonnes in 1987.

In the top fruit sector orchards already damaged as a result of the great storm also suffered frost damage, which reduced cropping. Growers could claim £2 a tree to assist replanting (see p 415, 1987). Yields of dessert and cooking apples (134,300 tonnes and 106,200 tonnes) were significantly lower than those in 1987 (160,200 tonnes and 123,800 tonnes). In the soft fruit sector, the strawberry season was marred by wet weather, but blackcurrant production increased by 18 per cent.

Livestock

Intervention for some grades of beef was suspended completely in Great Britain for two months in autumn 1988, and purchases were 38,000 tonnes compared with 44,000 tonnes in 1987. Intervention stocks in Britain dropped from 50,000 to 36,000 tonnes. Provisional figures for June 1988 show 11·9 million cattle and calves, compared with 12·2 million in 1987, and output of home-produced beef and veal was 959,000 tonnes in 1988 compared with 1·1 million tonnes in 1987. Sheep and lambs increased from 38·7 million to some 41 million between June 1987 and June 1988 and the breeding flock rose by 5 per cent. Home-fed production of sheepmeat, at some 345,000 tonnes, is expected to be about 11 per cent higher than in 1987. However, with exports destined to rise by some 12 per cent, there will be only a slight increase in supplies to the home market. Pigmeat production is estimated to have been 996,000 tonnes, compared with 977,000 tonnes in 1987.

An estimated 170 million head of poultry (including ducks, geese and turkeys), the largest recorded, provided the biggest single contribution in volume to the national meat supply.

Livestock Products

Milk quota reductions (see pp 116-17 and 210, 1984) affected output of liquid milk and other dairy products. During the first nine months of 1988, that of liquid milk fell by about 2·5 per cent; of butter by 22 per cent; and of skimmed milk powder by 32 per cent from the 1987 figures, but production of whole milk powder and cheese rose by 18 and 14 per cent respectively. Intervention stocks fell markedly: no skimmed milk powder and only some 1,300 tonnes of butter (all before March 1988) were offered into intervention.

Clip wool production is estimated to have been 48 million kg (106 million lb), an increase of nearly 7 per cent on 1987 and the highest so far recorded.

Income

The return to farmers and their spouses for their labour, management skills and own capital invested is forecast to have fallen by 25 per cent between 1987 and 1988 – from £1,517 million to £1,136 million. Net farm income showed marked increases on dairy and hill and upland livestock farms in all parts of Britain in 1987-88, and on lowland livestock farms in England and Scotland, but there were declines on cropping farms, and on pig and poultry farms.

Public Expenditure

Expenditure in Britain on market regulation under the CAP is estimated to be about £1,240 million in 1988-89, compared with £1,393 million in 1987-88. This expenditure includes export refunds and monetary compensatory amounts (see above); the net cost of buying, storing and selling commodities brought into intervention; and grants and subsidies, such as the beef and sheepmeat variable premium schemes and payments to producers giving up milk production.

Other expenditure on agricultural support in Britain is estimated to be £253 million in 1988-89 (compared with £237 million in 1987-88), resulting from the second group of Environmentally Sensitive Areas, the agricultural development programme for the Scottish Islands and the farm diversification grant scheme.

Minister's Speech

Addressing the Oxford Farming Conference on 4 January, the Minister of Agriculture, Fisheries and Food, Mr John MacGregor, in reviewing farming trends, listed features which made agriculture different from other industries:

1 it was subject to external factors – the weather and new diseases, for example – over which it had only partial control;

2 it occupied nearly 80 per cent of the British land area, and had to take into account wider public interest in the environment and the appearance of the countryside;

3 it was highly subsidised, and agricultural support had to be brought down to a realistic level;

4 it was difficult for those without a farming background to enter the industry.

There were key features, however, which agriculture shared or should share with the rest of industry in an increasingly market oriented economy:

1 it was a business and the farmer, as businessman and entrepreneur, would be able to employ business skills outside primary agricultural production;

2 farming benefited from economies of size: the larger farms, where overheads could be spread (56 per cent of output came from only 35,000 farms), had a competitive edge, as in other industries;

3 agriculture could adapt and innovate. The results of research and development, applied with impressive speed, had led to rapid productivity gains over three decades. The Government was still providing over £200 million a year on research and development, but the next three years would see the phasing-in of industry-funded near-market research at present funded by the taxpayer, thus bringing agriculture into line with the rest of industry and aiming at even greater commercial exploitation than hitherto. Over the first 18 months of the Agricultural Development Advisory Service's charging for its expertise (see pp 106-7, 1987), 60,000 customers had signed on;

4 farming businesses must respond to market needs. For some years too much output had found a market in the intervention store. The British agriculture and food industries faced increased competition both at home and from abroad.

Mr MacGregor stressed that the legally binding financial guidelines and the depreciation of intervention stocks within a year (see above) meant that intervention could no longer be regarded as an alternative marketplace. Costs of storage and disposal of surpluses should now be under better control. Britain's position, with stocks substantially down, broadly reflected that in the Community as a whole.

Britain, as a large net contributor to the Community budget, had pressed more strongly than other member states for reforms, considering it undesirable that agricultural policy should be managed with limited regard for the financial and econ-

omic costs which inevitably must fall on other parts of the economy. The reduction of beef stocks, still costing £1,500 million, was among important priorities. Again under British pressure, the Community was committed to phasing out monetary compensatory amounts (see above), an essential measure if a properly unified market was to be achieved in 1992. Britain also insisted on the maintenance of high standards in animal and plant health, important not only for domestic reasons, but also because they affected its exports.

Mr MacGregor stressed the encouraging first year's response to set-aside – some 24,000 farmers registering – and the increasing number of government payments for environmental purposes. British agriculture had 'high technical standards, an underlying financial strength and a scale of operation unique in the Community. . . . a larger market share, as others grapple with CAP reforms, is a realistic aim.'

FORESTRY

The report[1] of the Forestry Commission for 1987-88 records the damage done by the great storm of October 1987 (see p 415, 1987, and pp 212-13 and 382, 1988) and the Government's decision to change the tax and grant arrangements for private forestry (see p 139, 1988), the effect of which is that expenditure on tree planting and maintenance for timber production will no longer be allowed as a tax deduction against other income.

Woodland Grant Scheme

The Commission's Forestry Grant Scheme and Broadleaved Woodland Grant Scheme were closed from March 1988 and replaced by the Woodland Grant Scheme, under which grant levels are generally £375 a hectare higher than under the previous schemes, except that all broadleaved planting, whether on its own or mixed with conifers, attracts the same rates of grant, and the rates for planting under the Farm Woodland Scheme (see pp 113 and 414-15, 1987, and p 67, 1988) remain at the old levels. A special supplement of £200 a hectare is also available for new planting on existing arable or improved grassland less than ten years old. The scheme encourages multiple-purpose woodland management, but timber production will continue to be an essential objective, says the report.

Wood Production

Forest land owned by the Forestry Commission in Great Britain totalled 919,064 hectares in 1987-88: 238,437 hectares in England, 133,792 hectares in Wales and 546,835 hectares in Scotland. New planting, including restocking, covered 13,129 hectares (11,932 conifers and 1,197 broadleaved). As in previous years, the area restocked by the Commission (8,177 hectares) substantially exceeded the area of new planting (4,952 hectares). Grant-aided planting by private woodland owners covered 28,675 hectares, a significant increase on previous years; new planting accounting for 23,821 hectares. Private broadleaved planting was 2,495 hectares, an increase of 85 per cent on 1987.

[1] *Forestry Commission. 68th Annual Report and Accounts 1987-88.* HMSO, £9·75. ISBN 0 10 206989 1.

The volume of wood harvested on Commission lands in 1987-88 totalled 3·4 million cubic metres,[1] a 1·5 per cent increase over 1986-87. Income from timber sales totalled £71·1 million, an increase of 4·5 per cent. The Commission's parliamentary grant for 1987-88 was £48·1 million.

British consumption of paper and paperboard products increased for the fifth successive year, reaching 8·7 million tonnes. Domestic supply to this market rose by 6·1 per cent. Of a total particleboard consumption of 2·7 million tonnes, an increase of 17 per cent over 1986-87, domestic supplies met 42 per cent, compared with 39 per cent in the previous year. Consumption of sawn timber increased by 12 per cent to nearly 9·3 million cubic metres; domestic production increased from 1·3 million cubic metres to 1·5 million cubic metres, accounting for 16 per cent of the market.

Forestry and the Environment

A number of management plans for the 344 sites of special scientific interest on Commission land (see p 68, 1988) were prepared during 1987-88, while its research programme is providing practical benefits for wildlife. In accordance with Commission policy that planting should not damage archaeological sites, a procedure has been instituted under which the appropriate archaeological authorities are to be notified of planting proposals so that sites may be identified and protected. Three new forest parks in England were designated in 1987 – Delamere (Cheshire), North Riding (North Yorkshire) and Grizedale (Cumbria).

The 1987 forest health surveys (see pp 81 and 250, 1988) confirmed that both crown thinning and the yellowing of needles (the two symptoms most often associated with conifer decline in Europe) were present in Great Britain, to an extent similar to that in the Federal Republic of Germany. However, the surveys found that certain trees were in prime condition in areas of Britain considered to be the most polluted.

Central Scotland Woodland Initiative

On 20 January the Secretary of State for Scotland, Mr Malcolm Rifkind, launched a plan[2] to improve the environment of central Scotland. A company, Central Scotland Woodlands Ltd, will be set up to encourage a wide range of new woodlands, especially small broadleaved shelter belts and neighbourhood copses, and to double, or even triple, the present wooded area. Priority will be given to amenity and community woodlands, which would screen unattractive parts of Scotland's industrialised central belt between Glasgow and Edinburgh, and provide for recreation and new and enriched wildlife habitats. Productive woodlands, mainly coniferous, will be located on poorer land and supply timber for industry. The initiative will also lead to employment for local people in planting and maintenance, and a number of business opportunities.

Mr Rifkind said that the company would receive its initial funding from the Scottish Office. At the end of 1989 the company would present detailed costed

[1] 1 cubic metre = 35·316 cubic ft.

[2] *Central Scotland Woodlands.* Available free from the Scottish Information Office, New St Andrew's House, Edinburgh EH1 3TD.

business plans to him and to other potential sponsors from both the private and the public sectors, which would be considered as a basis for further support and could involve government funding of some £2·5 million a year for tree planting and related work over the next 20 years.

Road Safety

The Government's proposals for a major reform of road traffic law to improve road safety have been set out in a White Paper published on 7 February.[1] The measures include new driving offences, tougher measures to deal with drunken drivers and proposals to use new technology to improve the detection of certain offences.

In a statement in the House of Commons (*Hansard*, Vol 146, No 44, cols 803-5), the Secretary of State for Transport, Mr Paul Channon, said that the proposals would play a major part in achieving the Government's target of reducing road casualties by one-third by the end of the century. Britain had the best road safety record in Europe, but there was still considerable scope for improvement. Over 5,000 people had died and more than 300,000 had been injured as a result of road accidents in 1987. The proposals aimed to 'improve the structure of road traffic law, to increase its public acceptability and to make it operate more fairly and simply'. The Government aimed to ensure that the penalty matched the offence and that those who drove very badly were properly punished. Consultation would be undertaken with the appropriate parties and legislation brought forward when parliamentary time was available.

WHITE PAPER

The White Paper contains the Government's detailed response to the report of the Road Traffic Law Review (see pp 177-8, 1988), to which the Government had issued an interim response in July 1988 (see pp 284-5, 1988). It says that the total cost of road accidents in Great Britain was estimated at nearly £5,000 million in 1987, of which £4,000 million represented the economic cost of accidents involving injury and £1,000 million the cost of an estimated 1·5 million damage-only accidents.

The White Paper says that the law sets standards for motorists and other road users which are necessary to maintain and improve road safety. The Government's aim is to improve acceptance of the law by establishing a clearer link between its requirements and the resulting road safety and traffic benefits. Its intention is to make the law fairer by ensuring a more appropriate response to offences, stressing the seriousness of very bad driving while acknowledging the scope for use of alternatives to prosecution for minor errors.

[1] *The Road User and the Law: The Government's Proposals for Reform of Road Traffic Law*. Cm 576. Home Office, Department of Transport and Scottish Office. HMSO, £4·90. ISBN 0 10 105762 8.

The Government's main proposals are described below.

Main Driving Offences

The Government agrees with the report that the present law on reckless driving offences does not operate satisfactorily in England and Wales. A new offence of dangerous driving based more firmly on the observable standard of driving is proposed, although it has not yet been decided whether it would apply in Scotland (where the present offence has not caused the same problems of interpretation). It would have two ingredients: the standard of driving must fall far below that of a competent and careful driver, and the driving must carry a danger of physical injury or serious damage to property. The new offence would carry obligatory disqualification from driving in all cases. The present offence of causing death by reckless driving would be reformulated on the same basis, carrying the same maximum penalty as the present offence: a maximum of five years' imprisonment, an unlimited fine and obligatory disqualification for a minimum of two years.

The White Paper says that 'people who drink and drive create a serious social problem', and there is concern that bad drivers who have been drinking and who cause death are often dealt with too leniently under current laws. The Government is proposing a new offence of causing death by careless driving while unfit through drink, drugs or certain other forms of medical incapacity. It would carry the same maximum penalty as causing death by reckless driving. The scope of the High Risk Offenders scheme, covering drivers whose dependence on alcohol presents a serious threat to road safety, is being extended; under the scheme, those disqualified drivers are required to satisfy the Driver and Vehicle Licensing Centre that they do not have a drink problem before their licences are returned. The Home Secretary, Mr Douglas Hurd, announced on 1 February a period of public consultation on possible changes to police powers to take roadside breath tests (*Hansard*, Vol 146, No 41, written answers, cols 252-4).

Other Offences

The White Paper also includes proposals for changes in a wide range of other offences, for example, on driver licensing offences and on powers of prohibition of the use of unsafe vehicles. In his statement, Mr Channon referred to the concern about vandals who endangered lives through dropping objects from motorway bridges, and said that a new criminal offence would be introduced, with a maximum penalty of seven years' imprisonment, for those who endangered road users by intentionally obstructing a road or interfering with traffic signs and signals where personal injury or damage to property might result.

Penalties

The White Paper says that the threat of disqualification is a very significant deterrent; it is the only penalty other than imprisonment that directly stops the offending motorist from driving. The Government believes that there is potential for making more use of disqualification as a penalty for road traffic offences in cases where it is discretionary, and

a short period of disqualification might have a greater impact than a fine.

The Government also intends to examine new measures designed to improve offenders' driving to see whether this could lead to significant road safety benefits. Legislation would be introduced to provide for a new, longer and more stringent driving test which certain offenders disqualified from driving (initially drivers convicted of the most serious bad driving offences) would have to take before their licences were restored. The private sector would be encouraged to develop suitable training courses. In addition, the Government is proposing a major experiment in the use of retraining to change attitudes towards alcohol and driving. Courts in selected areas would be empowered to be able to order those convicted of drinking and driving to attend special rehabilitation courses.

The Government does not consider that a major restructuring of the system of penalty points for driving offences is necessary. However, some changes are being made to enable the courts to deal more effectively with the more serious cases.

The review recommended that verbal and written warnings should be used as widely as possible in dealing with minor offences when more formal action is not necessary, and this view is shared by the Government.

New Technology

The White Paper records the Government's acceptance in principle of the review's general conclusions that the use of cameras to detect speeding and traffic light offences is an acceptable means of enforcement, provided that the equipment has been tested and approved to meet standards of accuracy and reliability. Accordingly, the law would be amended to allow the use of cameras as sole evidence for these offences. The White Paper says that technology could create substantial road safety benefits by improving compliance with speed limits and traffic lights. The Government is undertaking initial testing of equipment in conjunction with the police service. It will continue to monitor the development of enforcement technology in other areas of road traffic law.

Shorter Notes

EFFECTS OF TAXES AND BENEFITS ON HOUSEHOLD INCOME 1986

Details of household income in 1986, based on the *Family Expenditure Survey* for that year (see pp 22-3, 1988), show that average original income per household was £9,790. Cash benefits amounted to £1,780, giving gross income of £11,570. Deduction of income tax and employees' National Insurance contributions of £2,030 left disposable income of £9,530. Indirect taxes amounted to £2,370, so that income after allowing for cash benefits and all taxes was £7,160. With benefits in kind valued at £1,570, final income came to £8,740 (rounding accounts for differences between totals and the sum of component parts).

Ranked by original income, the top 20 per cent of households had an average original income of £24,790 and a final income of £17,260. The corresponding figures for the bottom 20 per cent were £130 and £4,130. (The original income of a household depends largely on the number of economically active people it contains. Households in the top 20 per cent had an average of 2·2 such people; only one in 30 of households in the bottom 20 per cent had any economically active people.) The top 20 per cent of households paid an average of £5,650 in income tax and employees' National Insurance contributions; the corresponding figure for the bottom 20 per cent was −£10, largely because tax relief at source on life assurance premiums exceeded tax liabilities.

The extent of income redistribution brought about by the tax-benefit system can be seen by comparing shares of original and final income. Ranked by original income, the top 20 per cent of households accounted for 51 per cent of total income and the bottom 20 per cent for 0·3 per cent. Ranked by final income, the top 20 per cent accounted for 42 per cent of total income and the bottom 20 per cent for 6 per cent.

For all households, earnings comprised 88 per cent of original income, with occupational pensions, annuities and investment income accounting for 11 per cent. For the top 20 per cent of households ranked by original income, earnings comprised 92 per cent of original income and occupational pensions, annuities and investment income 7 per cent. For the bottom 20 per cent of households the respective shares were 8 per cent and 77 per cent.

Source: *Economic Trends*, December 1988. Central Statistical Office. HMSO, £9·25. ISBN 0 11 620324 2.

BUSINESS GROWTH TRAINING

Speaking on 24 January, the Secretary of State for Employment, Mr Norman Fowler, announced a new programme, Business Growth Training, to assist employers in the training and development of their trainee employees (see pp 431-3, 1988). The package of services is due to start on 1 April and will have an annual budget of £55 million.

Mr Fowler emphasised that the Government was committed to continued investment in training and vocational education programmes in partnership with business, which had a responsibility to upgrade and retrain its own workforce. Small and medium-sized firms often lacked the time or expertise to design on-site training for their own personnel, and the new programme was aimed particularly at meeting the training needs of such businesses at all stages of their development.

Mr Fowler said that Business Growth Training would have four main components. First, funding of up to half the costs of training consultancy would be made available to firms with fewer than 500

employees, up to a maximum of £15,000. Consultancy help would enable businesses to develop training strategies and to purchase open learning materials. Secondly, the progamme would help to create and make available innovative training approaches which contributed to the success of businesses. Up to half the costs – with a ceiling of £60,000 – would be provided to fund demonstration projects which illustrated the applications of such approaches. Thirdly, certain groups of employers would be given up to half the cost, to a maximum of £60,000, of identifying and defining their key skill needs, and devising strategies to meet them. Finally, the owners and managers of new and small businesses would be given training to develop their business skills.

A guide would be published which would help firms to review their current levels of manpower investment and adapt them to future objectives.

Source: Department of Employment press notice, 24.1.89.

SALE OF APPLEDORE SHIPYARD

The Minister of Trade and Industry, Mr Tony Newton, welcomed the announcement on 26 January by British Shipbuilders that the Appledore shipyard in North Devon had been sold to Langham Industries. The intention to return the shipyard to private ownership was announced in April 1988, and its successful sale now follows those of other shipyards during 1988 (see pp 179-80 and p 436, 1988).

Mr Newton said that the sale assured a private sector commitment to shipbuilding in the area, and that it would protect the jobs of 400 employees. Under the ownership of Langham Industries, the shipyard would continue to seek orders for a range of small ships, including its line of dredgers.

Source: Department of Trade and Industry press notice, 26.1.89.

TRANSPORT IN LONDON

To accommodate the growing demand for passengers using the rail networks of central London, a major upgrading programme of existing facilities, together with two alternative proposals for new lines, has been recommended by the Central London Rail Study, published on 26 January. The report says that since 1982 there has been a substantial increase in the number of morning peak period passengers entering central London by rail, which was estimated at 468,000 passengers using British Rail and 415,000 using London Underground in 1988. Increased traffic has led to overcrowding on certain services and to congestion at a number of stations and interchanges. Morning peak rail traffic entering central London is forecast to grow by some 15 per cent by 2001.

The study says that a major upgrading programme, costing some £1,500 million, could make a substantial contribution to relieving congestion. This would involve improvements to increase Underground station capacity, measures to improve operational performance, more trains, higher capacity trains and restructuring of services. However, this would not wholly cater for the increased demand and provide acceptable standards, and the study has therefore identified two alternative major investment schemes as sufficiently promising to merit further development, both involving new railway lines across London. The first would involve British Rail-gauge tunnels linking the main-line railway termini of Euston/King's Cross in the north of central London with Victoria in the south, and Liverpool Street in the east with Paddington and Marylebone in the west. The second would comprise the latter east-west link, together with an Underground-gauge line linking Wimbledon in south-west London to Hainault in north-east London. Both schemes would cost about £2,000 million at 1989 prices. A number of smaller projects are also thought to be worth further study.

In a foreword to the report, the Secretary of State for Transport, Mr Paul Channon, says that it is 'a major step forward in meeting London's transport needs'. Before decisions can be taken, however, the estimates will have to be refined, while further work is necessary on how the investment could be financed. The Government believes that passengers should meet through fares the cost of any new investment, rather than the investment being subsidised by taxpayers in the rest of Britain. In the light of comments and the further detailed work required, he hopes to be able to take decisions on the proposals later in 1989.

Initiatives to improve transport in London's Docklands were announced by the Secretary of State on 23 January. The Government is supporting a major programme of upgrading and extension of the Docklands Light Railway (see p 302, 1987); a westward extension to Bank is due to open in 1990 and a Bill to authorise an eastward extension to Beckton is now before Parliament. To accommodate the rapid development in Docklands, the Government believes that additional rail infrastructure will be required and has therefore set up an East London Rail Study to examine the best options for improving rail access from central London to the Docklands area. A substantial programme of road improvements is in progress to give Docklands an effective internal road network and to link it to the strategic road system. To oversee transport improvements in Docklands, the Secretary of State has asked the Minister of State for Transport to take the lead in co-ordinating the activities of the various agencies involved.

Sources: *Central London Rail Study.* A joint study by the Department of Transport, British Rail Network SouthEast, London Regional Transport and London Underground Ltd. Available from Department of Transport, Publications Sales Unit, Building 1, Victoria Road, South Ruislip HA4 0NZ. £12; *Hansard,* Vol 145, No 33, written answers, col 388.

TELECOMMUNICATIONS

Proposals for developments in telecommunications, including the issue of 'Telepoint' licences and an increase in the spectrum available for cellular radio, were announced by the Secretary of State for Trade and Industry, Lord Young, in the House of Lords on 26 January. Lord Young said that the Telepoint system would allow subscribers to make outgoing telephone calls from public places and other locations, wherever Telepoint base stations had been installed, using their own portable digital cordless handsets. Following advice from the Director General of Telecommunications, he had decided to award four licences to Ferranti; a consortium of Philips, Barclays and Shell; a consortium involving STC, British Telecom, French Telecom and Nynex; and a grouping involving the Motorola/Shaye consortium and Mercury (the second competing fixed-link telecommunications operator in Britain).

The Secretary of State said that one issue he had considered carefully was whether or not a Telepoint licence should be granted to a consortium involving British Telecom. The Government had decided that British Telecom should be allowed a minority interest in one of the licences, subject to additional safeguards which would ensure that neither it nor the licensee obtained unfair advantages. A similar shareholding limitation and appropriate safeguards would also apply to Mercury.

At a press conference on 26 January Lord Young explained that the four licensees would operate the base stations and charge for calls, which would be much cheaper than on the cellular radio system. He hoped that services would start before summer 1989. He said that Telepoint was arousing great interest in other European countries and that Britain was 'the first country to be so far advanced in developing . . . this exciting new idea'.

Lord Young also announced that a number of channels were being made available in outer London for the cellular radio telephone networks run by Cellnet and Racal-Vodafone. This would reduce congestion on the cellular network (which had arisen in peak periods) and allow continuing rapid growth. [There are an estimated 500,000 users of cellular radio in Britain.] He also said that the Government would keep under review the opportunities for licensing one or more further national cellular radio operators after the pan-European cellular system (see p 216, 1987)[1] had come into operation in 1991.

Lord Young also referred to a discussion document[2] he was issuing that day in which the Government proposed the licensing of at least two new public mobile telecommunications operators in the early 1990s, operating within the frequency range of 1·7 to 2·3 gigahertz. He said that their networks would not be the same as existing cellular systems, but would compete with where the Government expected cellular systems to be in the 1990s. They would be new networks based on digital personal communications, which would link and develop both the cellular and Telepoint concepts. He envisaged a timetable which could permit the selection of prospective operators by the end of 1989 to enable the necessary development work to start.

Sources: *Hansard* (*HL*), Vol 503, No 25, cols 825-7; Department of Trade and Industry press notices, 26.1.89.

[1]For more detailed information on cellular radio and the pan-European system see COI reference paper *Telecommunications Services in Britain*, No 182/88.

[2]*Phones on the move, Personal Communications in the 1990s.* Available unpriced from the Department of Trade and Industry, Kingsgate House, 68-74 Victoria Street, London SW1E 6SW.

RESEARCH AND DEVELOPMENT IN INDUSTRY

The Department of Trade and Industry has published the results of its latest annual sample survey of expenditure on and employment in research and development (R & D) carried out in British industry. The results are for 1987, and include 74 enterprises accounting for about 75 per cent of the total expenditure on R & D in 1985, for which year there was a large-scale (benchmark) survey (see pp 107-8, 1987). The enterprises span industry, public corporations, industrial research associations and private laboratories. The figures (and revised figures for 1986) include for the first time R & D expenditure by the United Kingdom Atomic Energy Authority, which became a public corporation in April 1986 (see p 84, 1985).

Total spending in 1987 was £6,337 million, about 2 per cent more in real terms than the revised total for 1986. Research on chemical products increased by about 20 per cent, to £1,200 million, and that on motor vehicles by about 9 per cent, to £450 million. On the other hand, expenditure on electronic engineering, the product group with the largest expenditure, fell by 9 per cent, to £1,855 million, and that on electrical engineering by about 11 per cent, to £142 million.

Between 1986 and 1987 the proportion of funds provided by industry increased from 64·4 per cent to 68·2 per cent while that from government fell correspondingly from 23·4 per cent to 19·4 per cent. The proportion of funds from overseas, where there had been a rise in the period 1967 to 1986 associated with R & D performed in Britain by overseas controlled enterprises, remained the same at 12 per cent.

Capital items accounted for a little under one-tenth of total expenditure, a figure similar to those of previous years. The total number employed fell by about 2 per cent to 184,000, as a result of a fall in the number of non-technical support staff by 8 per cent to 48,000. The numbers of scientists, engineers and technicians remained steady.

Source: *British Business*, 3.2.89, pp 24-5.

EUROPEAN RESEARCH SUPPORT

The European Commission has initiated a new programme of support for research in manufacturing technologies and advanced materials. It will last from 1989 until 1992 with a budget of £300 million. It merges two Commission schemes, BRITE (Basic

Research in Industrial Technologies for Europe – see p 53, 1985) and EURAM (the advanced materials part of the research action programme on materials). The programme will cover the development of advanced materials and their processing for industrial use; engineering technologies for product design, means of manufacture and quality assurance; new and improved manufacturing techniques for more effective production; and new and improved manufacturing systems, particularly for the established sectors.

There will be three separate forms of support, the Commission in each case contributing 50 per cent of project costs. Industrial applied research, with more than 90 per cent of the budget, will be implemented by shared-cost contracts, involving at least two legally independent industrial enterprises coming from two different member states; up to 7 per cent of the budget will be made available for focused fundamental research; and a small proportion will be spent on co-ordinating activities.

Mr Eric Forth, Parliamentary Under-Secretary of State at the Department of Trade and Industry, said on 27 January that the objective of BRITE/EURAM was to achieve a more competitive position in world markets for the Community's materials and manufacturing industries. British organisations should lose no time in assessing how they could benefit from this new programme.

There was British participation in 109 out of 211 projects in the previous BRITE programme.

Source: Department of Trade and Industry press notice, 27.1.89.

SOCIAL AND CULTURAL AFFAIRS

Social Trends

The nineteenth annual edition of *Social Trends*,[1] which brings together key social statistics about Britain, was published in January. The twelve chapters correspond closely to the administrative functions of government, and the statistical tables and graphs are supplemented by a commentary on social policies and conditions. This edition includes an article on trends in social attitudes over the five-year period 1983-87.

Examples of some of the most significant statistics are given below.

Population

The population of Britain grew steadily between 1951 and 1971, but since then has grown more slowly, with only slow growth projected up to 2025. In 1987 the population was just under 57 million, and it is expected to reach 60 million by 2025. The age structure of the population has changed in recent years, with a lower proportion of children aged under 15 in 1987 than in 1971, and a higher proportion of people aged 65 or over. The number of people in this age group is now over 50 per cent greater than in 1951, representing just over 15 per cent of the population, compared with nearly 11 per cent in 1951. The population aged 85 or over is projected to grow most rapidly, from some 0·8 million in 1987 to over 1·4 million by 2025. Between 1971 and 1987 the annual number of deaths has remained about the same, while live births have fallen by 14 per cent.

More people have been entering Britain in recent years than leaving it. Averages for 1983-87 show there were 220,000 new residents (including British citizens) a year, while 190,000 left the country to live elsewhere. The number of migrants from the European Community has more than doubled between 1973-77 and 1983-87, and there has been a 50 per cent increase in the number of residents from the United States moving to Britain over the same period. Britain is more densely populated than most European Community countries, with 233 inhabitants per square kilometre, compared with the Community average of 143 inhabitants.

Households and Families[2]

One of the most notable features of the period since 1945 has been the increase in numbers of people who live alone: in 1987 a quarter of households in Great Britain contained only one person, compared with about one-eighth in 1961. At the same time the proportion of households containing five or more people has halved, and is now less than one-tenth. These changes have led to a reduction in average household size from 3·09 people in 1961 to 2·55 in 1987. The number of one-person households is projected to increase by a third by 2001, to 7·1 million, compared with 5·3 million in 1987.

The majority of dependent children in Great Britain in 1986 lived in a 'traditional' family – with one or more brothers and sisters and a married couple. However, the proportion of children in this type of household fell from 76 per cent to 68 per cent between 1972 and 1986, while the proportion of 'only children' rose slightly. The proportion of children living in lone-parent families rose from 8 per cent in 1972 to 14 per cent in 1986; the proportion living with a lone father is still very small, compared with those living with a lone mother.

The prevalence of cohabitation has increased in Great Britain in recent years. The proportion of women aged 18-49 years who were cohabiting nearly doubled between 1981 and 1987, from 3·3 per cent to 6·4 per cent. Since 1971 bachelors and spinsters have formed an increasing proportion of the population, reversing the trend since 1901.

During the past 30 years the percentage of births outside marriage has risen steeply, reaching 23 per cent of all births by 1987, compared with 12 per cent in 1981 and 6 per cent in 1961. However, there has been an increase in the proportion of births outside marriage which were registered by both parents, from 38 per cent in England and Wales in 1961 to 68 per cent in 1987. Moreover, in 70 per cent of these joint registrations in 1987, the mother and father gave the same address as their usual place of residence. These figures suggest that at least half the children born outside marriage in 1987 had parents who were living together and likely to bring up the child within a non-marital union. In 1986 Britain had the highest marriage rate and divorce rate of the European Community countries for which data are available.

Education

The total number of school pupils in Britain rose by 2·4 million between 1961 and 1976, but then fell by 1·9 million between 1976 and 1987, reflecting falling birth rates in the late 1960s and 1970s. Between 1975-76 and 1986-87, the proportion of boys leaving school in Britain with at least one GCE 'O' level or equivalent rose from 49 to 53 per cent, while among

[1] *Social Trends 19*. HMSO, £21·95. ISBN 0 11 620347 1.

[2] For detailed information on the position in 1986, see *General Household Survey 1986*. HMSO, £15. ISBN 0 11 691248 0.

girls leaving school it rose from 53 to 60 per cent. In 1986-87 girls were more likely than boys to have gained higher grade results at GCE 'O' level or equivalent in English, Biology, French and History, while boys were more likely to have gained higher grade results in Mathematics, Physics, Geography and Chemistry.

In 1986-87, 25 per cent of those aged 18 to 24 were participating in further or higher education. The number of students in full-time higher education rose by 15 per cent between 1980-81 and 1986-87 to 613,000; this increase has been confined to polytechnics and colleges, with university numbers remaining almost constant. There has been a considerable increase in the number of students in part-time higher education, accounted for almost entirely by those aged over 25 years, with a particularly rapid increase for women. In 1986, 44 per cent of all first degrees were awarded to women, compared with 39 per cent in 1981. In 1987, 11 per cent of those aged 25-29 in Great Britain held a degree or equivalent qualification, compared with 6 per cent of those aged 50-59.

The number of full-time teachers employed in Britain fell by 7 per cent between 1980-81 and 1986-87 to 526,000, reflecting the decreasing school population. In 1987 the average number of pupils per teacher in public sector schools was 18·3, compared with 23·2 in 1971.

Employment

There was an increase of 2·3 million in the civilian labour force in Great Britain between 1971 and 1987, almost entirely attributable to an increase in the number of economically active women. While the number of females in employment and their economic activity rates increased at all ages under 60 between 1971 and 1987, male activity rates have fallen in all age groups except that of 16- to 19-year-olds. The civilian labour force is projected to rise by nearly 0·9 million between 1987 and 1995, although a fall of 1·2 million is expected in the 16-24 age group.

The number of employees in employment in Britain reached 22·1 million in 1988, 1 million more than in 1983, but lower than the previous peak of 23·2 million in 1979. Between 1971 and 1979 there was little change in the number of self-employed people, but it then rose substantially between 1979 and 1988 from 1·9 million to 3 million. In 1986 male employees in Britain usually worked more hours on average a week than their counterparts in the European Community, while women tended to work fewer hours. There has been a steady fall in unemployment in Britain since 1986 (see p 429, 1988).

Income and Wealth

Real household disposable income per head in Britain rose on average by 3 per cent a year between 1981 and 1987. In 1987 the average gross weekly earnings of a full-time female employee, at £148, were still only two-thirds of those of a full-time male employee, at £224. The top 20 per cent of households, when ranked in terms of disposable income, received 42 per cent of total disposable income in 1986, compared with 38 per cent in 1976; the bottom 20 per cent received 6 per cent, compared with 7 per cent in 1976. The proportion of individuals in households with incomes below half the average rose from 8 per cent in 1981 to 9 per cent in 1985.

The proportion of national wealth held by the personal sector rose from 63 per cent in 1981 to 77 per cent in 1987. The increase in home ownership has had a significant effect on the distribution of wealth, with almost one-third of all personal sector wealth invested in dwellings in 1987. With the privatisation of state-owned companies, stocks and shares became a more popular method of investment for individuals in the 1980s: the percentage of the adult population owning shares increased from 6 per cent in the third quarter of 1984 to over 20 per cent in the first quarter of 1988 (see pp 167-8, 1988).

Expenditure and Resources

Total household expenditure in Britain rose by 5 per cent between 1986 and 1987 in real terms. Expenditure on television and video more than doubled in real terms between 1976 and 1987, while that on books, newspapers and tobacco fell. Just over half the households in Great Britain had two or more television sets in 1987, while the percentage with videos rose from 38 per cent in 1986 to 46 per cent in 1987. Nearly a third of households had a microwave oven in 1987.

Consumer credit in Great Britain has increased substantially since 1981, partly as a result of the growing number of people who use credit cards. The amount of consumer debt outstanding (excluding mortgages) has more than doubled in real terms since the end of 1981, to reach £38,000 million in current prices at the end of March 1988. For the first time in 1986 and 1987 household expenditure exceeded household disposable income. In 1987 general government expenditure fell to 40·5 per cent of gross domestic product in Britain, the lowest proportion since 1970. Since 1981 growth in gross domestic product has been rising, and reached 4·3 per cent between 1986 and 1987.

Health and Diet

Between 1951 and 1987 the rate of deaths from lung cancer in Britain rose rapidly in both men and women. By 1987 the rate for women had risen to almost 41 per million population, compared with 9 per million in 1951. The death rate for men has dropped from 111 to 102 per million population since 1979. By the end of October 1988, more than 1,000 people in Britain had died from AIDS.

The proportion of people who smoke cigarettes continues to fall, with 33 per cent of those over 16 being smokers in 1986. Among men, 44 per cent were smokers compared with 31 per cent of women; of those aged 16-19, however, 30 per cent of both men and women were cigarette smokers.

There have been some significant changes in the pattern of food purchases by households in Great Britain since 1961. Consumption of butter fell by almost two-thirds between 1961 and 1987. Lower fat milks are increasingly being bought instead of whole milk. Between 1961 and 1987 consumption of brown and wholemeal bread increased over 2·5 times, whereas consumption of standard white loaves halved.

Housing

More people in Britain own their homes; the number of owner-occupied dwellings more than doubled between 1961 and 1987, accounting for 64 per cent of the housing stock in 1987 compared with 43 per cent in 1961. Almost 180,000 new private houses were completed in 1987, the highest number since 1973 and representing 84 per cent of all completions in the public and private sectors. Local authorities in England and Wales accepted responsibility for 118,000 homeless households in 1987, compared with 110,000 in 1986. Total sales of local authority and new town dwellings in Britain between 1980 and the end of 1987 reached over 1 million.

Transport and the Environment

Since 1961 there has been a decline in the use of public transport, while the use of private road vehicles has trebled. In 1987 cars, taxis and motorcycles accounted for 84 per cent of passenger-kilometres travelled in Great Britain, compared with 55 per cent in 1961. Among car-owning households, the proportion with at least two cars has risen steadily, from 2 per cent of all households in 1961 to 19 per cent in 1987; conversely the proportion of households without the regular use of a car has fallen from 69 per cent in 1961 to 36 per cent in 1987.

Emissions from power stations accounted for 70 per cent of sulphur dioxide emissions in Britain in 1986, having remained fairly constant since 1976. Emissions from other industries have halved in the same period. Despite an increase in petrol consumption of over a third since the early 1970s, emissions of lead by petrol-driven vehicles in 1986 had dropped by 65 per cent from the peak year of 1973. There were improvements in bathing water quality in half the water authority areas in England and Wales between 1986 and 1987.

Leisure

The trend over the past 25 years or so has been towards a reduction in working hours and an increase in holiday entitlement. By 1987, 99 per cent of full-time manual employees in Britain were entitled to four or more weeks holiday, while in 1961 97 per cent had a basic entitlement of only two weeks. Over 90 per cent of the population in Britain watched some television each week in 1987; the average weekly time each person spent watching was 25 hours and 25 minutes. Following a sharp decline in annual cinema admissions in Britain since 1955, there has been a 29 per cent rise in cinema attendances in the three years to 1987. An increasing number of people are taking more than one holiday each year; the proportion of adults taking two or more holidays a year rose from 15 per cent in 1971 to 21 per cent in 1987.

Participation

Increasing awareness of the environment in recent years has been reflected in consistent growth in the membership of voluntary environmental organisations. Membership of the World Wide Fund for Nature, for example, grew tenfold between 1971 and 1987. Trade union membership fell from a peak of 13·3 million in 1979 to 10·5 million in 1986, representing less than half of employees in employment. There has been a large increase in the number of people using advisory and counselling services in Britain since 1971.

Recent Trends in Social Attitudes

In an article on recent trends in social attitudes, the Director and two Senior Researchers of Social and Community Planning Research, which has been monitoring public attitudes in Britain to a range of social, political, economic and moral issues since 1983 for the British Social Attitudes Series, comment on changes over the last five years. The primary source of data for the series, which tries to reveal long-term changes in the nation's values rather than transitory fluctuations in public opinion, is an annual interview among a sample of about 3,000 people throughout Great Britain.

With regard to economic expectations, they report a clear overall increase in public optimism about the economy in 1987, although concern about unemployment remains high. They comment that public attitudes towards moral issues have shown a movement towards greater 'censoriousness', with the exception of attitudes to abortion, where public support for allowing legal abortion in a range of circumstances has increased substantially over the last five years. In their view, the public's response to AIDS is ambivalent; 60 per cent of those interviewed expressed broad sympathy for sufferers, while almost the same proportion (57 per cent) believed that most people with AIDS had only themselves to blame.

When asked to rank areas of public expenditure in order of priority, 52 per cent of respondents named health first, compared with 37 per cent in 1983, and there was strong evidence to suggest that the National Health Service continues to matter a great deal to the British public. On the domestic division of labour, the researchers report that it is still the case that the majority of time-consuming household tasks are done by women, although they say that there is now much greater acceptance of a woman's right to work outside the home.

National Health Service

The Government has proposed a major programme of reform for the National Health Service which is intended to give patients better health care and greater choice, and to offer greater satisfaction to those working in the Service. The reforms, which would be introduced in three main phases during 1989, 1990 and 1991, are designed to offer patients a new deal, with more choice, high standards, and better quality. If implemented, they would enable the Service to continue to be open to all regardless of income, and to be financed mainly out of general taxation. The Government has also issued eight working papers explaining in detail how major aspects of the proposals are to be implemented.

The Government's proposals, outlined in a White Paper published in January,[1] are the result of a year-long review of the National Health Service (NHS). Total gross expenditure on the NHS has increased from £8,000 million in 1978-79 to a planned £26,000 million in 1989-90, an increase of 40 per cent in real terms. In 1989-90 expenditure will be equivalent to around £35 a week for an average family of four, as compared with about £11 in 1978-79. NHS hospital staff now treat nearly 8·5 million patients a year, 1·5 million more than in 1978.

MINISTER'S STATEMENT

Introducing the White Paper in the House of Commons on 31 January (*Hansard*, Vol 146, No 39, cols 165-92), the Secretary of State for Health, Mr Kenneth Clarke, outlined a programme of action designed to give patients, wherever they live in Britain, better health care and greater choice of the services available; and greater satisfaction and rewards for those working in the NHS who successfully respond to local needs and preferences.

Mr Clarke explained that the NHS was – and should remain – open to all, regardless of income, and financed mainly out of general taxation. But the NHS required improving and strengthening so that it could provide ever better care to those who rely on it. The Government wished to maintain the best of the Health Service and to bring the rest of it up to that very high standard. The proposals in the White Paper built upon and evolved from the improvements that the Government had already made in the last ten years, and reflected a change of pace rather than any fundamental change of direction.

Mr Clarke emphasised that the Government's proposals shared a common purpose – to make the Health Service a place where patients came first and where decisions would increasingly be taken at a local level by those most directly involved in delivering and managing care. The main proposals would apply throughout Britain, and their implementation would have to follow a process of discussion. The Government would be issuing eight working papers as the basis for those discussions. (These were published on 20 February.)

He explained that the Government wished to see hospitals provide the kind of service which every patient had a right to expect: individual appointment times which could be relied upon; attractive waiting areas with proper facilities for patients and children; the provision of proper counselling where required; and patient choice for paying for optional extras such as a wider choice of meals, a bedside telephone, a television, or a single room. The Government also wished to give patients greater freedom to choose and change their General Practitioners (GPs), while it was felt that its proposals for GP practices to control their own budgets would also bring about improvement in the services offered by hospitals. Further improvements in hospital services would be effected by changing their systems of funding and management.

Mr Clarke concluded by stating that, taken together, these proposals added up to the most formidable programme of reform in the history of the NHS and were the latest step in the Government's drive to build a stronger, more modern, more efficient Health Service.

[1] *Working for Patients.* Cm 555. Department of Health. HMSO, £8·80. ISBN 0 10 105552 8.

WHITE PAPER

In its introduction, the White Paper notes that throughout the 1980s the Government has presided over a massive expansion of the NHS, although more needs to be done because of rising demand and an ever-widening range of treatments made possible by advances in medical technology. It has also increasingly been recognised that simply injecting more and more money is not, by itself, the answer, but that the organisation of the NHS, and the way it delivers health care to the individual patient, also needs to be reformed.

The Government has therefore taken a series of measures to improve the way the NHS is managed, particularly the introduction of a new system of general management in the Health Service in 1984 (see p 391, 1983). This is now showing results and has pointed the way ahead.

The White Paper states that new management information systems provide clear evidence of a wide variation in performance throughout the country. In 1986-87 the average cost of treating acute hospital in-patients varied by as much as 50 per cent between different health authorities, even after allowing for the complexity and mix of cases treated. Similarly, a patient who waits several years for an operation in one place may be able to obtain that operation within a few weeks in another. There are also wide variations in the drug prescribing habits of GPs, drug costs in some places being nearly twice as high per head of the population as in others, and marked variations in the rate at which GPs refer patients to hospital.

The Government wants the performance of all hospitals and GP practices to be raised to that of the best, says the White Paper. It is convinced that this can be done only by delegating responsibility as closely as possible to where health care is delivered to the patient – predominantly to the GP and the local hospital. Experience in both the public service and the private sector has shown that the best run services are those in which local staff are given responsibility for responding to local needs.

Objectives

The Government proposes seven key measures to achieve its objectives.

1 To make the Health Service more responsive to the needs of patients, as much power and responsibility as possible would be delegated to local level. This would include the delegation of functions from regions to districts, and from districts to hospitals, involving greater flexibility in setting the pay and conditions of staff, and financial incentives to make the best use of a hospital's assets.

2 To stimulate a better service to the patient, hospitals would be able to apply for a new self-governing status as NHS Hospital Trusts. While remaining within the NHS, the hospitals would take fuller responsibility for their own affairs, earn revenue from the services they provided, and thus have an incentive to attract patients by offering the services

their patients wanted. NHS Hospital Trusts would also be able to set the rates of pay of their own staff and, within annual financing limits, to borrow money to help them respond to patient demand.

3 To enable hospitals which best met the needs and wishes of patients to get the money to do so, the money required to treat patients would be able to cross administrative boundaries. All NHS hospitals, whether run by health authorities or self-governing, would be free to offer their services to different health authorities and to the private sector.

4 To reduce waiting times and improve the quality of service, to help give individual patients appointment times they could rely on, and to help cut the long hours worked by some junior doctors, 100 new consultant posts would be created over the next three years. The new posts would be additional to the 2 per cent annual expansion of consultant numbers already planned.

5 To help family doctors improve their services to patients, large GP practices would be able to apply for their own budgets to obtain a defined range of services direct from hospitals. GPs would also be encouraged to compete for patients by offering better services. It would also become easier for patients to choose (and change) their own GPs.

6 To improve managerial effectiveness, regional, district, and family practitioner management bodies would be reduced in size and reformed on business lines, with executive and non-executive directors.

7 To ensure that those delivering services to the patient made the best use of their resources, quality of service and value for money would be more rigorously audited. Arrangements for the system of 'medical audit' would be extended throughout the Health Service, helping to ensure that the best quality of medical care was given to patients. The Audit Commission would assume responsibility for auditing the accounts of health authorities and other NHS bodies, and would undertake wide-ranging value for money studies.

The main proposals are summarised below.

The Hospital Service

Managing the Service

While the NHS would continue to be funded by the Government mainly from tax revenues, with ministers accountable to Parliament and to the public for the spending of the huge sums of money involved, as much decision-making as possible would be delegated to the local level. Hospitals and other management units would be expected to carry more direct responsibility for running their affairs. This would mean giving hospitals greater control over, and better information about, their use of resources.

The proposed structure would comprise:

— a new NHS policy board, chaired and appointed by the Secretary of State, to determine the strategy, objectives, and finances of the NHS in the light of government policy, and to set and monitor objectives for the NHS management executive. It would replace the former Health Service supervisory board and would include non-executive members drawn from inside and outside the NHS;

— the NHS management executive, chaired by the chief executive and appointed by the Secretary of State in consultation with the chief executive, which would deal with all operational matters within the strategy and objectives set by the policy board;

— the NHS management executive to be responsible for the management of family practitioner services. The better integration of primary care and hospital services would be an important objective.

These changes would introduce for the first time a clear and effective chain of management command running from districts through regions to the chief executive and from there to the Secretary of State.

Since the NHS management executive could not directly exercise effective authority over the current 190 district health authorities, the regional health authorities would continue to ensure that government policies were properly carried out within their regions. But since the Government believes that there is considerable scope for reductions in the numbers of staff directly employed by regional health authorities on many services, the NHS management executive would review the provision of all regionally managed services. Their retention at the regional level would be approved only if they were cost-effective.

The Government also believes that there is further scope for delegating decision-making from district health authorities to hospitals and their associated management units. Its objective is to create an organisation in which those who are actually providing the services are also responsible for day-to-day decisions about operational matters. District health authorities could then concentrate on ensuring that the health needs of the population for which they were responsible were met, that there were effective services for the prevention and control of diseases and the promotion of health, and that their population had access to a comprehensive range of high quality, value for money services; and on setting targets for and monitoring the performance of those management units for which they continued to have responsibility.

While the NHS has made considerable progress in developing better information systems in hospitals, there remain some important limitations. There is at present only a limited capacity to link information about the diagnosis of patients and the cost of treatment. The Government believes that the best way to remedy this is by extending and accelerating the existing Resource Management Initiative which is intended to provide a complete picture of the resources used in treating hospital patients.

The Government also intends to give managers greater control over the resources for which they are responsible. It wants them to have greater flexibility to determine the conditions of service of NHS staff and to be able to make the most efficient use of their physical – capital – resources.

To assist in the aim of achieving better value for money, the Government intends to change the arrangements for audit. At present, the statutory external audit of the accounts of the health authorities and family practitioner committees is carried out by the health departments. The Government now proposes to transfer responsibility for the stat-

utory external audit in England and Wales to an independent body, the Audit Commission.

Self-Governing Hospitals

The Government believes that self-government for hospitals would encourage a stronger sense of local ownership and pride, encourage local initiative, stimulate greater competition, and ensure a better deal for the public. It intends that as many hospitals as are willing and able to do so should run their own affairs, while remaining within the NHS. It expects that major acute hospitals would be the most suitable candidates for its proposals, 'major' being defined as having more than 250 beds. At present there are over 320 such hospitals in Britain.

Hospitals would have to meet only a few essential conditions to achieve self-governing status, the two main criteria being concerned with management effectiveness and the involvement of senior professional staff in hospital management. However, the Secretary of State would need to satisfy himself that self-governing status was not simply being sought as an alternative to an unpalatable but necessary closure. The NHS should not be obliged to retain hospitals which are redundant to its needs.

The powers and responsibilities of each self-governing hospital would, from April 1991, be formally vested in a new and separate legal body known as an NHS Hospital Trust. Run by a board of directors, these Trusts would be empowered by statute to employ staff, and to settle their pay and conditions, including that of doctors, nurses, and others covered by national pay review bodies; to enter into contracts both to provide services and to buy in services and supplies from others; and to raise income within the scope set by the Health and Medicines Act 1988 (see pp 29-30, 1988). The NHS Hospital Trusts would be given a range of powers and freedoms which have not been, and would not be, available to health authorities generally.

The White Paper emphasises that NHS Hospital Trusts should also continue to provide essential services to the local population, including accident and emergency facilities, where no alternative provision exists.

Funding Hospital Services

At present, district health authorities provide hospital services and are funded to do so. The Government believes that the primary task of each district health authority should be to secure the best and most cost-effective services it can for its patients, whether or not those services are provided by the district's own hospitals. This in turn implies that health authorities should be funded for the population they serve, and not for the services they provide. The Government also believes that NHS hospitals should be free to offer their services to their own districts and to other districts in a way which enables them to attract the funds they need in line with the work they are asked to do. This means that hospitals should be funded more directly for the volume and quality of the services they provide rather than, at present, all hospitals (the efficient as well as the less efficient) being funded at the same level.

The Government, therefore, intends to simplify and improve the arrangements for allocating funds to regional and district health authorities. Regional health authorities would be funded on a capitation basis, weighted to reflect the health and age distribution of the population, including the number of elderly people, and the relative costs of providing services.

At present, district health authorities are funded mainly according to where hospitals happen to be located. This system also offers only limited incentives for hospitals to satisfy the needs and preferences of patients or to take on additional work by improving productivity. In future, like regions, district health authorities would be funded for their resident populations. It would also be their duty to buy the best service they could from their own hospitals, from other authorities' hospitals, from self-governing hospitals, or from the private sector. For their part, hospitals would have to satisfy districts that they were delivering the best and most efficient range of services. They would be free to offer their services to different health authorities.

The Work of the Hospital Consultants

The NHS employs over 48,000 hospital doctors, of whom nearly 17,000 are consultants. The decisions taken by consultants are critical to the way in which the money available for the NHS is used. The Government feels it is important to ensure that they are properly accountable for the consequences of these decisions. Its proposed changes to the present position of consultants are intended to strike a proper balance between two legitimate pressures, both of which are focused on patients' interests: the professional responsibilities and rewards of the individual consultant; and the responsibility of managers to ensure that the money available for hospitals buys the best possible service for patients.

Firstly, within the next two years, the Government would like to see all hospital doctors taking part in the 'medical audit' – a systematic, critical analysis of the quality of medical care, including the procedures used for diagnosis and treatment, the use of resources, and the resulting outcome for the patient. Secondly, the present position whereby consultants' contracts are held by regional health authorities has tended to cause confusion about the nature of a consultant's accountability to local management and the district health authority, and to leave unclear what a district can and should expect of its consultants. The Government believes that it is unacceptable for local management to have little authority or influence over those who are in practice responsible for committing most of the hospital's resources, namely the consultants.

The Government therefore proposes that each district health authority should act as its regional health authority's agent in agreeing with consultants the scope and arrangement of their NHS duties in each hospital, and therefore their contracts. NHS Hospital Trusts would employ their own consultants.

General Practice

GP Practice Budgets

The GP, the White Paper states, is each patient's key adviser, and is best qualified to advise on whether or not someone needs to go to hospital, on which hospitals offer the best service, and on who are the

best specialists to consult. At present, the Government sees three obstacles in the way of improving patients' choice of good quality services: hospitals and consultants need stronger incentives to look on GPs as people whose confidence they must gain if patients are to be referred to them; GPs who refer patients to another district's hospitals can cause financial problems for the hospital if it accepts the referral, resulting in lengthening waiting lists and times; and GPs themselves lack incentives to offer their patients a choice of hospital.

To help tackle these problems, the Government intends to introduce a new scheme – the Practice Budgets Scheme – enabling money to pass with the patient from the GP practice itself. The practices and hospitals which attract the most custom would receive the most money, a system which would not only deliver better care for patients and provide shorter waiting times and better value for money, but also enable GPs to employ any savings for use within their practices.

It is intended that from April 1991, GP practices with lists of at least 11,000 patients would be free to apply for their own NHS budgets for a defined range of hospital services and to cover defined aspects of the services provided by GPs themselves. GPs would be able to obtain the hospital services from either NHS or private sector hospitals, while the size of each practice's budget would depend primarily on the number of patients on the practice's list.

Participation in the practice budgets scheme would be voluntary, and practices joining the scheme would be free to leave it again. The initial application of the scheme to practices with at least 11,000 patients, which is twice the national average, should ensure that most participating practices would have annual budgets of some £600-700,000. On this basis, over 1,000 practices would be eligible, covering between them about a quarter of the population. The Government would consider relaxing the 11,000 patient minimum if experience showed that budgets for practices of this size were more than large enough to allow for the necessary flexibility. GP practices would receive their budgets direct from the relevant regional health authority. The family practitioner committee would continue to hold the GPs' contracts and be responsible for monitoring expenditure against the budget.

Managing the Family Practitioner Services

The Government believes that its proposals for reform of the hospital and community health services make it possible and necessary to build further on the policies outlined in the White Paper on primary health care, *Promoting Better Health*. (These involve measures designed to put the patient first, to strengthen the management of family practitioner services, and to shift the emphasis from the treatment of illness to the promotion of health and the prevention of disease – see pp 424-5, 1987).

If the Government's new policies were to be implemented, general practice would play an even greater role in assisting patient choice and directing resources to match patient needs throughout the whole Health Service. But in order to play this key role to the full, general practice would need strengthening in four areas: patient choice, which covers questions such as capitation fees for GPs, the ways in which patients are able to choose their GPs, and the provision of better information systems for GPs; the medical audit of GP practices; prescribing costs for drugs (a new system of indicative drug budgets for GPs is proposed); and improved management of the family practitioner service.

Other Issues

Health Authority Membership

The Government proposes a series of reforms on the composition, functions, and areas of authority of the health authorities.

Working with the Private Sector

Since 1948 the Health Service has been complemented by an independent health sector made up of a broad spectrum of private, voluntary, and charitable bodies. The independent sector has complemented the Health Service not only in areas such as elective surgery where public provision is universal, but also in areas where NHS coverage is limited. These range from hospices, nursing and convalescent homes to fitness training, screening, and chiropody. Its contribution to health care in Britain is now very substantial.

More and more people are looking to the private health sector for diagnosis and treatment. The Government welcomes this increase, not only because it relieves pressure on the NHS but also because it increases the opportunities for the NHS and the independent sector to learn from each other, to support each other, and to buy and sell services from and to each other. The Government believes that its White Paper proposals – for example, to introduce tax relief on medical insurance premiums for those aged 60 and over, the extension of existing competitive tendering for support services, and a whole range of joint ventures between the NHS and the private sector – would open up further opportunities for the two sectors to work together for their mutual benefit.

Equal Opportunities: A Strategy for the 1990s

In the light of changing economic, social and demographic trends, the Equal Opportunities Commission has reassessed its role and launched a new strategy to promote equal opportunities. This focuses on enabling men and women to become more responsible and effective family members and employees; helping women to take advantage of the full range of training opportunities; reducing differences between men's and women's earnings, pension rights and taxation; and developing awareness that equal opportunities affect all aspects of people's working and non-working lives.

The strategy is outlined in a document[1] published on 17 January. In this, the Commission notes that

[1] *From Policy to Practice: An Equal Opportunities Strategy for the 1990s.* Equal Opportunities Commission. Available free from EOC, Overseas House, Quay Street, Manchester M3 3HN.

the decreasing number of young people entering the labour market, coupled with inadequate past training, has led to a skills shortage. While women are well placed to alleviate this problem, the review says that major barriers prevent them from participating fully in the job market: these include inadequate childcare provision, lack of training, unequal pay and benefits, and financial disincentives, as well as traditional assumptions about the work that men and women do and their respective roles in society. According to the review, women already make up 42 per cent of the workforce (50 per cent in some regions) and although this proportion is likely to rise, most women, especially those from ethnic minorities or those who carry extra responsibility for family care, are still working in lower-paid, lower-status jobs offering restricted training and promotion opportunities. The Commission shares the Government's view that greater equality of opportunity between men and women can make a real contribution to continuing national prosperity (see pp 169-78, 1987, p 391, 1988 and pp 58-9).

The Commission believes that it should change its overriding role of securing equal rights for women to one of achieving central national economic objectives through the implementation of effective equal opportunities practice. Hence, the new strategy focuses on the task of making fully available to society skills which women can provide. In the Commission's view, genuine equality of opportunity will come about in several ways: far-sighted employers will continue to engage in good equal opportunities practice and respond to encouragement to attract and retain skilled and experienced male and female employees, while the less enlightened ones will change only in response to laws prohibiting their discriminatory practices. The Commission plans to direct its attention to both groups.

A summary of the review's themes and objectives is given below.

Work and the Family

The Commission considers that the combination of massive skills shortages, fewer school-leavers and increased international competition is forcing many employers to take measures to attract and retain skilled and experienced employees. The contribution to be made by womenwill be greater if more provision is made for family support so that there can be a choice of care both for children and elderly and dependent relatives. A number of objectives have been set by the Commission which, if met, could make men and women more effective and responsible employees and family members. First, it aims to persuade employers to offer support for working parents and other carers. It will try to establish good practice models for out-of-school care and holiday schemes for children between the ages of 5 and 13, as well as working towards achieving improved status, qualifications and training for childminders and other childcare workers. Lastly, the Commission will endeavour to enhance the status of part-time work and to attain for part-time workers pay and non-pay benefits commensurate with those of full-time workers.

Education and Training

The Commission wants women to have the full range of opportunities for training leading to different occupations. It aims to remove barriers preventing pupils from having equal access to a curriculum that broadens educational and vocational choices and guides young women towards a wider range of possible occupations. Also, it will try to increase the number of women taking job skills, retraining, professional and management courses, and, where appropriate, extend the provision of access courses and special training programmes for women. Women returning to work after a career break will be encouraged to take up education, training and retraining opportunities.

Equal Pay

The review states that, in spite of the Equal Pay Act 1970 (see pp 34-5, 1984), women's average hourly earnings have remained at about three-quarters of those of men for the last ten years. The Commission will seek to narrow this gap substantially within five years. Its specific objectives are to establish good practice in payment structures and job evaluation schemes free of sex bias; produce a draft code of practice on equal pay; lower barriers to recruitment and promotion of women, focusing on growth employment sectors; and secure simplification of the Sex Discrimination and Equal Pay Acts.

Fiscal Policies and Pensions

The review notes that disincentives within the tax and social security systems continue to make it difficult for women to become independent through paid work. Furthermore, because of their unpaid family work they have less access to pensions. In order to increase fiscal and pensions equality and remove disincentives to employment, the Commission proposes to identify and publicise inequalities in the tax and state benefit systems, and to continue to demonstrate the need for an equal state pension age and equal state, occupational and personal pension provision.

Increasing Awareness

Achieving the Commission's objectives will not be possible, it believes, unless policy-makers and the general public are aware of the issues and understand that equality of opportunity brings advantages to all men and women at work and at home. The Commission, therefore, will attempt to secure support for its objectives among policy-makers and those who influence opinion. It intends to investigate and publicise the impact of the introduction of the single European market in 1992 on women and equal opportunities. Moreover, it will try to raise awareness at grass-roots level of equal opportunities and the role of the Commission.

In addition to bringing about change through persuasion, the Commission has unique legal powers to support people, carry out investigations, and recommend changes to equality legislation. It intends to take an active, innovatory approach, using its legal and promotional powers to make equal opportunities a reality by concentrating on the themes and specific related objectives outlined above. However, it will continue to deal with complaints and questions outside these priority areas, including those concerned with sexual harassment and discrimination in social and other settings.

Development Plans

The Government's proposals on development plans in England and Wales, under which a single tier of district development plans would replace the present two-tier system of county structure and local plans in non-metropolitan areas, were set out in a White Paper, published on 30 January.[1]

In a statement in the House of Commons (*Hansard*, Vol 146, No 38, written answers, cols 23-4), the Secretary of State for the Environment, Mr Nicholas Ridley, said that the proposals, which reflected the outcome of consultations undertaken in 1986-87, would improve the effectiveness of the development plan system by simplifying its structure and streamlining procedures for the adoption and review of plans. The strategic role of the counties would continue, but the present county structure plans would be replaced by statements of county planning policies, dealing with the key issues. The main feature of the new system would be a single-tier development plan at district level. All district councils would be required to prepare development plans for the whole of their areas, consistent with national and regional guidance and with county policies. Similar arrangements would apply in the national parks.

The Secretary of State said that a sound planning system was essential if realistic provision for homes and businesses was to be made while meeting the growing concern for protection of the environment in town and country. He believed that the proposals would enable the planning system to serve the needs of the nation in the 1990s.

The White Paper

In its introduction, the White Paper says that the Government is committed to maintaining an effective planning system that meets both the needs of development and the interests of conservation. The Government's aim has been to simplify the system and improve its efficiency, and since 1979 it has reviewed the planning system as part of its general strategy of removing unnecessary barriers to enterprise (see pp 208-9, 1987). The Paper says that, to be effective, plans must provide developers and the public with a clear indication of where development will and will not be acceptable, and they must be responsive to unforeseen needs and opportunities. They should concentrate on the essentials and exclude policies and proposals which either are not directly relevant to land-use planning or involve needlessly detailed and restrictive controls.

The Government intends to achieve these objectives by:

— publishing national guidance on planning policies (already well under way);

— providing regional planning guidance where necessary;

— introducing a single-tier system of district development plans to replace the two-tier system of structure and local plans;

— simplifying procedures, while continuing to provide for effective public participation in plan preparation; and

— reducing the need for ministerial authorisation and intervention.

The White Paper says that there is a strong element of continuity between the present and future systems; proposed legislation would ensure that current plans could be readily assimilated into the new system. The present proposals relate only to the non-metropolitan districts in England and Wales. In the metropolitan areas unitary development plans, which are very similar, are being introduced under the Local Government Act 1985 (see p 123, 1988). The proposals do not apply to Scotland, where structure plans are to be retained.

The Role of Development Plans

The White Paper says that development plans are an essential component of a rational land-use planning system, and the plan preparation process provides the opportunity for local communities and other interested parties to express their views on the balance between continuity and change in the physical environment. The Government recognises the role of elected planning authorities in deciding where development should occur in their areas; it intends that where a plan is relevant and up-to-date it should normally be given considerable weight in deciding planning applications and appeals.

The present system of development plans outside London and the metropolitan areas, introduced in the Town and Country Planning Act 1968, comprises structure plans prepared by the counties and local plans which are normally prepared by the districts. The White Paper reports that full structure plan coverage of England and Wales took 14 years to complete and was not achieved until 1985, while the coverage of local plans is still very incomplete. Procedural delays have been made worse in many cases by the increasingly detailed nature of the plans. The requirement that the Secretary of State approve structure plans, including every alteration or replacement, has significantly added to the time taken to maintain up-to-date plans. There is also a considerable degree of overlap and duplication in the plan-making carried out at the county and district levels.

The White Paper reports on the responses from a wide range of organisations and individuals concerned with planning on the Government's consultation paper in 1986 (for publication details see p 339, 1986) which proposed changes to the planning system. The diagnosis of the shortcomings of the present system was generally accepted, as were the Government's objectives for reforming it. The overall response was positive, with a general consensus on the need to retain an important role for the counties in the planning process and the need to avoid unnecessary detail at the county level. There was widespread support for the concept of mandatory district-wide development plans, and for streamlining the plan-making procedures.

The New System

The White Paper describes the main changes that the Government proposes to make to the development plan system at the next legislative opportunity. As far as national planning policies are concerned, it has already started providing clearer, more accessible and more systematic guidance on

[1] *The Future of Development Plans.* Cm 569. HMSO, £3·20. ISBN 0 10 105692 3.

planning policies than had previously been available. It is intended that the Secretary of State should continue to provide regional planning guidance in response to proposals from conferences or groupings of local planning authorities.

The White Paper says that the counties will continue to have a very important role in the planning process, and that in future, county policies will be formulated through the preparation and adoption of statements of county planning policies. These will differ from the structure plans they replace in three important respects. First, they will concentrate on those issues which genuinely need to be dealt with at county rather than district level. Secondly, the county role will be more clearly defined and distinguished from that of the districts. Thirdly, each county will be responsible for adopting its statement of county planning policies and for conducting the public examination of the draft statement; the statement will not be subject to formal approval by the Secretary of State.

The statements will generally be expressed in broad policy terms rather than in detail, and their principal purpose will be to provide a framework within which the district development plans can be prepared by the district councils. To avoid overlap there will be power for Secretaries of State to specify a 'core' of strategic issues which counties may include in their statements. Where necessary, statements should include the county council's policies on:

1 new housing (including figures for housing provision in each district);

2 Green Belts and conservation in town and country;

3 the rural economy;

4 major industrial, office, retail and other employment generating development;

5 strategic highways and other transport facilities;

6 mineral working and protection of mineral resources; and

7 waste disposal (in England), land reclamation and re-uses.

Statements should be relevant for ten years from the likely date of adoption. In England, development control responsibility for waste disposal, as well as minerals, will remain with the county councils.

The White Paper says that district development plans will be mandatory and comprehensive; they will cover the whole of a district's administrative area, and the district councils responsible for their preparation should aim to produce plans that will be relevant for ten years. The plans will be similar to existing local plans in scope and content, and should be consistent with national planning policies, and any regional planning guidance issued by the Secretary of State for the Environment, and with the statements of county planning policies. The plan preparation procedures will provide for the views of the local community to be taken fully into account. The plans will comprise both a written statement and specific land-use proposals on a map base.

The national park authorities are responsible for deciding the full range of planning applications in their areas and, under the Government's proposals, all national park boards and committees would be required to prepare a development plan for their area, comprising the functions performed elsewhere by statements of county planning policies, the county minerals development plan and district development plans.

Procedures for Plan Making

The White Paper says that draft statements of county planning policies will be published and made available for public inspection, with a period of six weeks allowed for the making of objections and representations. Where there are contentious issues, there will be provision for an examination in public, but no statutory requirement for further public involvement after the public examination. The three statutory steps towards adoption of district development plans will be: publication of the draft plan, with six weeks for public objections or representations; a local public inquiry, where objectors exercise their right to be heard by an independent inspector; and publication of any modifications to the draft plan and of the authority's intention to adopt the modified plan, with a single period of six weeks for public objections to either the modifications or the intention to adopt.

The White Paper says that as the Secretary of State will no longer be required to consider and approve development plans, some adjustments to his or her reserve powers of intervention or direction will be needed, including changes to permit more selective intervention than at present.

Implementing the New System

Pending the introduction of the necessary legislation and implementation of the new system, the White Paper says, local planning authorities should continue with the preparation of structure and local plans. Once the necessary legislation has been approved by Parliament, counties will be expected to have their statements of county planning policies adopted within two years. Districts will be required to complete and adopt their development plans within three years of the county statement being adopted. The White Paper says that it is intended to harmonise the terminology and the detailed procedures for plan-making in the metropolitan areas and London with those now proposed for the rest of England and Wales.

Shorter Note

ANTI-SMOKING CAMPAIGN

The Government has announced a major campaign aimed at halving regular smoking among young people by 1993. Directed at 11- to 15-year-olds, it will consist of school programmes and media campaigns. The campaign, which is expected to start in late 1989 and to last for five years, will be run jointly by the Department of Health, which will contribute £2 million a year, and the Health Education Authority, which will contribute £200,000 a year.

Welcoming the announcement, the Minister for Health, Mr David Mellor, spoke of the special importance of getting the message across to teenage girls who were twice as likely as boys to smoke, a factor of particular concern since smoking during pregnancy could cause serious damage to the foetus.

According to the latest government survey among secondary school children, 10 per cent of 11- to 15-year-olds in England and Wales are regular smokers. Overall 12 per cent of girls in this age group are regular smokers, compared with 7 per cent of boys. This disparity between smoking rates is a recent phenomenon. Reasons suggested by researchers include the changing role of women in society, and its attendant images and pressures, and increased targeting of young women by tobacco advertising.

Sources: Department of Health press notice, 25.1.89; *Smoking Among Secondary School Children in 1986* (a study by the Office of Population Censuses and Surveys). HMSO, £8·20. ISBN 0 11 691208 1.

[A general outline of the Government's policies on smoking and health is given in COI reference paper *Smoking and Health in Britain*, No 197/87.]

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